The Financial Times, March 6, 1976

FINANCIAL TIMES

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NEWS SUMMARY

GENERAL

Rees sees long haul on Ulster

Ulster is back under direct rule by Westminster to-day following the scrapping of the Convention and the failure to achieve power sharing. Mr. Merlyn Rees told the Commons yesterday that there would be no major new Government initiative.

The new situation appears to be threatening the bipartisan policy of Government and Opposition. Shadow Northern Ireland spokesman Mr. Airey Neave warned that the political vacuum in Ulster might be filled by "violent and unscrupulous men."

The end of the Convention was accepted reluctantly by Mr. Liam Cosgrave, the Irish Republic's Prime Minister, who had talks in London with Mr. Wilson yesterday. Back Page

Banker admits Scott payment

Mr. David Holmes, a 45-year-old Manchester banker and former deputy treasurer of the Liberal Party, admitted last night that he had paid £2,500 to Mr. Norman Scott, who claims to have had sexual relations with Mr. Jeremy Thorpe, the Liberal leader. Mr. Thorpe denies the claim.

A statement by Mr. Holmes's solicitor said that the 1974 payment was made entirely on Mr. Holmes's own initiative—"and in particular without the knowledge of Mr. Jeremy Thorpe." The payment was made for the purchase from Mr. Scott of certain letters which Mr. Holmes believed could have affected voting in the former constituency of runaway Liberal MP Mr. Peter Bessell. Last night, Mr. Philip Watkins, Liberal Party treasurer, said the payment had not come out of Party funds.

Meanwhile, pressure mounted on Mr. Jeremy Thorpe to resign as Liberal Party leader following the Liberal candidate's poor showing at the Coventry NW by-election. Page 13.

Iceland plea to US

Iceland will ask the U.S. to supply her with one or two torpedo boats to strengthen her coastguard fleet, Justice Minister Mr. Olafur Johannesson said in Reykjavik. In London, the Defence Ministry said Icelandic gunboat Baldur had "brought a new and more dangerous aspect" to the cod war by forcing the British frigate Naiad to break-off a mid-ocean refuelling operation.

New Beirut fears

Civilian militiamen seized control of most of Beirut after clashes in which seven people died and 10 were wounded in the previous 48 hours. An estimated 2,000 Palestine Liberation Army troops reportedly arrived from Syria to reinforce the 5,000 already in Lebanon. Page 11

Briefly . . .

Coloured immigrant leaders will to-day seek a High Court injunction to stop the BBC repeating a programme about immigration which they described as "racist propaganda." The 30-minute "Open Door" programme was first shown last Saturday night.

Three people were killed in a Cessna light aircraft which crashed on a training flight in Perthshire, Scotland.

Building workers on two Copenhagen hospital projects struck in protest at the employment of eight British fitters.

Mexican police seized 220 lb of cocaine worth about $55m. and arrested 23 people.

Flu epidemic has claimed nearly 1,000 lives in the U.S. In Scotland, 'flu trebled last week, but declined throughout Britain as a whole.

Andrew Elliott, a Conservative, was elected president of the students' union at Oxford University by a 400-vote majority.

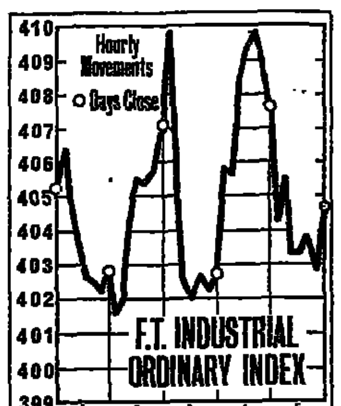
Sales offices of Leyland Innocenti at Livorno, Italy, were damaged by bombs.

BUSINESS

Equities gain 12.8 over the Account

● GILTS led the retreat as the market gave ground in nervous trading. Losses ranged to a full point at one stage but the MLR reduction helped the market regain a little poise. Shorts closed as much as ⅜ lower, longs were down ½.

● EQUITIES took their cue from gilts. The FT 30-share index drifted down to lose 4.7 by 3 p.m., but later scattered demand brought a modest rally. The index closed 2.9 down on the day at 404.7, showing a 0.5 point loss for the week. Over the Account the index put on 12.8.



● DOLLAR'S trade-weighted depreciation narrowed again to 2.24 (2.46) per cent.

● GOLD gained $1¼ to $134 in a moderately active market.

● WALL STREET closed 2.28 higher at 972.92, after rising 6 but finding no buyers.

● U.S. UNEMPLOYMENT rate fell by 0.2 per cent. to 7.6 per cent. last month—its lowest level for more than a year. Page 11

Encouraging oil strike off Aberdeen

● OIL has been discovered 160 miles east of Aberdeen by the Ranger Oil exploration group, which describes the find as "encouraging enough to warrant further drilling." Scottish Canadian Oil and Transportation, which recently raised £17.7m. on the stock market, also has a major stake in the well. Page 9

● MR. HUGH SCANLON, AUEW president—in the past a critic of the social contract and a leading campaigner against wage restraint—has come out in support of the Government's general strategy of cutting public expenditure. But he was careful to link his support to the need for a reflationary Budget. Back Page

● LORD WATKINSON, soon to lead the CBI, urged Government to settle for an inflation target of 5 per cent. with pay rises fixed solely on a percentage basis. He was addressing the first convention of the British Institute of Management. Page 8

● RECEIVER at Brentford Nylons has agreed terms with two of the company's main suppliers, British Enkalon and Enka-Glanzstoff to enable the company to continue trading. Page 9

● FELIXSTOWE Dock directors have no firm recommendation to shareholders faced with two take-over bids—one from the State-owned British Transport Docks Board and a second, and higher offer from European Ferries. But they favour the BTDB for long-term development. Page 8 and Lex

● TWO TV companies announce improved results. Scottish Television is resuming its Ordinary dividends. Its 1975 pre-tax profits expanded to £766,571 (£179,668). At HTV, half-year pre-tax profits have recovered to £655,640 (£320,595). Page 14

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Barlow Rand	173	+ 15
Clark and Fenn	57	+ 5
Coral (J.)	121	+ 9
Croydex Rubber	117	+ 5
EMI	273	+ 8
HTV	76	+ 6
HK and Shanghai	303xa	+ 13
Lampa Secs.	116	+ 5
Marshall (T.) (Loxley) "A"	29	+ 6
OK Bazaars "A"	470	+ 30
Philips' Lamp	925	+ 25
Scottish TV "A"	31	+ 3
Weyburn	520	+ 10
LASMO/SCOT Units	170	+ 8
Royal Dutch	£33	+ 1½
Anglo American	255	+ 15
Cons. Gold Fields	162	+ 10
De Beers Dfd.	218	+ 10
Doornfontein	450	+ 30
Hartebeest	£13½	+ 1
Pancontinental	£13	+ 1½
Union Crp.	270	+ 30

FALLS

Treasury 9pc 1980	£95⁵⁄₁₆	— ³⁄₁₆
Treas. 13¼pc '97 "A"	£98⅞	— ⅞
Barclays Bank	285	— 10
Bestobell	144	— 9
Booker McConnell	124	— 5
Decca "A"	248	— 6
GKN	332	— 6
Metal Box	277	— 8
Rang Org. "A"	150	— 7
Scot. Metro. Prop.	76xr	— 5
Sidlaw	73	— 4
Taylor Woodrow	276	— 6
Tube Invests.	346	— 6
Unigate	53	— 3
Wolstenholme Bronze	136	— 6
British Borneo	98	— 8
BP	588	— 5
ZCI Invests.	24	— 3

Three-cent fall on day takes authorities by surprise ● MLR is cut by ¼% to 9%

Sterling goes below two-dollar barrier

BY MICHAEL BLANDEN and WILLIAM KEEGAN

THE POUND dropped below $2 for the first time yesterday under continued pressure in hectic foreign exchange markets.

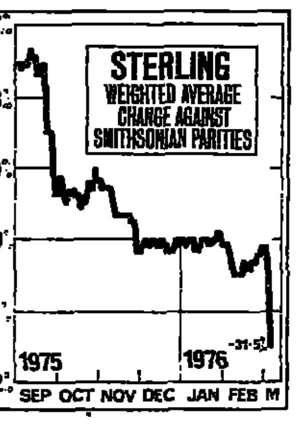
In one of the biggest daily falls on record, sterling lost over three cents to end the day at $1.9820 against the dollar. Its weighted average depreciation against other currencies jumped to a record figure of 31.5 per cent., compared with 30.3 per cent. on Thursday and a previous low of 30.6 per cent.

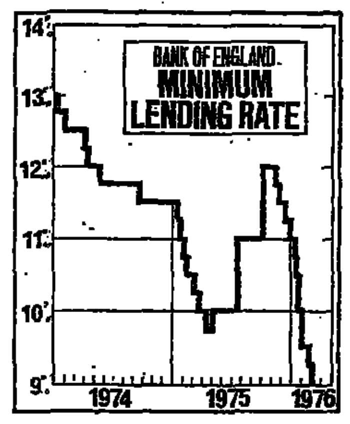
At the same time, the Bank of England's minimum lending rate fell another ¼ per cent. to 9 per cent. after the weekly Treasury bill tender. The fall in MLR coupled with the apparent absence, until yesterday afternoon at least, of official resistance to the drop in sterling led some sections of the market to feel that the move had been deliberately engineered by the authorities.

According to this line of reasoning the fall was in line with the Government's known long-term policy of allowing sterling to fall to reflect the difference between inflation rates in the U.K. and other countries in order to maintain the competitive position of U.K. exporters.

In fact, however, the situation was more complicated. An initial fall in sterling provoked some large selling orders from New York and the Continent, which appear to have increased in volume yesterday as sterling passed below the $2 mark with its important psychological significance for the market.

The result has been a drop in the pound on a scale which appears to have taken the authorities by surprise. It follows a period when sterling has remained relatively stable in spite of the upsets in exchange markets caused by the weakness of the Italian lira and uncertainties about the European joint floating arrangements. But the size of the adjustment in a single day has embarrassed the authorities.





The sequence of events is this: a period of three weeks during which the pound has been very strong and foreign exchange has been flowing into the reserves; very strong demand for sterling on Thursday morning, which was supplied by the Bank of England because it certainly did not want the rate to improve against the long run trend; misinterpretation by the market that the Bank of England was deliberately engineering a large fall in sterling; then, in the light of great market confusion, a run on the pound.

This does not alter the basic picture—a shared assumption by the market and the Government that sterling both in relation to the dollar and the weighted average of all key currencies must continue to decline as long as the U.K. inflation rate remains so far in excess of that of other countries.

At any one time, however, the Government and the Bank of England have to strike a balance between desired exchange rate trends and the danger of precipitating sudden large scale withdrawals from sterling. And there is no doubt that they would have preferred a more orderly adjustment than occurred during yesterday's disturbances.

Nevertheless, because the movement in sterling has been in the right direction, the authorities decided yesterday not to reverse a decision made on Thursday to allow the further fall in MLR. The downward movement of interest rates is seen as an important element in the revival of industrial investment.

In the past two days, sterling has come down by as much as 4.25 cents, and at one stage yesterday was dealt as low as $1.98. Dealers reported that while the market was very busy, the actual volume of currency being traded was not exceptional.

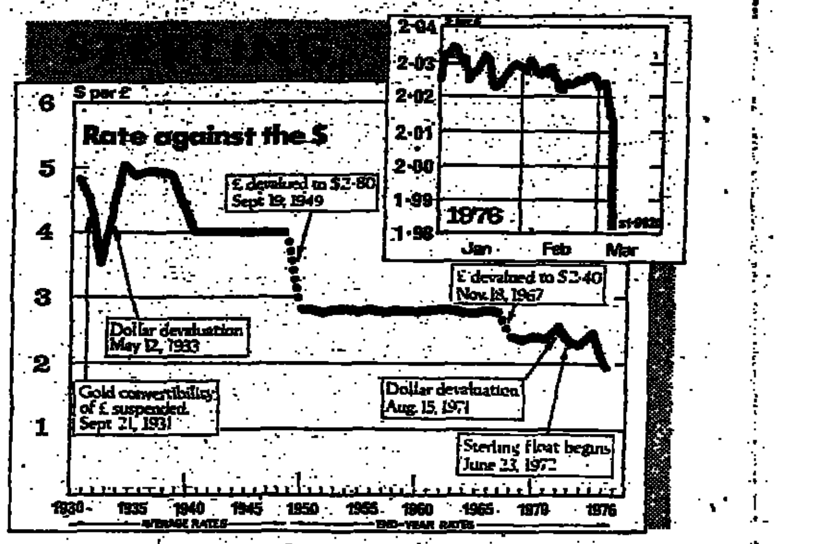
One factor in the pressure was the narrowing of interest rate differentials between London and New York with the continued decline in London money market rates.

The further fall in MLR is the tenth in a series which has brought it down by a full 3 per cent. since mid-November. It is likely to present problems for the big banks and for the building societies over the level of their own rates.

The big clearing banks last cut their overdraft rates a month ago, when a drop in base lending rates to their current 9½ per cent. left the top-quality corporate customers paying 10½-11 per cent. for the overdrafts.

Since then, short-term interest rates in the money markets have come down considerably further, bringing the danger that big borrowers may switch their requirements to other sources. This has

Continued on Back Page
Tourist exchange rates Page 6
Effect on Commodities, Page 17
Lex Back Page



Decline and fall of the £

BY OUR ECONOMICS STAFF

THE long slide in the dollar parity of sterling began in August, 1914, when Britain went off the gold standard for the first time. The parity declined from $4.866 in July, 1914, to $3.20 in 1920.

The rate was forced back up to $4.866 in the early 'twenties and full gold convertibility was restored by Mr. Winston Churchill, then Chancellor, in 1925. In an attempt to counter the effects of the world slump the U.K. went off the gold standard again in 1931. This produced a drop in the dollar parity; the average rate fell to $3.50 in 1932.

The Americans were having their own troubles and the devaluation of the dollar in 1933 enabled the Pound to rise to a short-lived peak of over $5. For the next few years the Pound fluctuated around the $4.70-4.90 level. On September 1, 1939, a devaluation fixed the parity at $4.03, where it remained throughout the war and during the early post-war years.

The first major post-war exchange crisis came in the summer of 1949, when Sir Stafford Cripps' determined resistance to devaluation was finally overcome by intense pressure from the U.S.; the idea of a floating rate was considered but rejected, and the large 30 per cent. cut was considered necessary to put British exporters in a competitive position.

There were serious runs on sterling in 1957, in 1961 and again in 1964 when the Labour Government entered office. In spite of some evidence that sterling was out of line by as much as 10 per cent. to 15 per cent., Mr. Harold Wilson, the Prime Minister, was adamantly opposed to devaluation; it was thought that another devaluation would be politically disastrous for Labour and was in any case inappropriate as a remedy for the country's economic problems.

The battle to preserve the $2.80 parity began and it was not until late in 1967 that the Government had to admit defeat. The devaluation of that year brought the parity down to $2.40.

The sterling devaluation of 1967 set off a wave of currency disturbances which led, through the Washington gold agreement of 1968 and the D-mark crisis of 1969, to the collapse of the Bretton Woods system in 1971. The Smithsonian agreement at the end of 1971 brought a temporary realignment of currencies and a few months later, in June, 1972, the British Government announced its decision to allow sterling to float.

The effective rate for sterling fell quite sharply in the first half of 1973 and the decline continued at a slower rate. The rise in the dollar last summer brought an acceleration of the decline in the dollar value of sterling. For some time now the authorities in the U.K. have had a declared policy of allowing the exchange rate to cancel out any tendency for British export prices to rise faster than those of our competitors.

£ in New York

—	March 5	Previous
Spot	$1.9670-9700	$2.0100-0120
1 month	0.95-0.95 dis	0.60-0.56 dis
3 months	2.27-2.15 dis	1.71-1.66 dis
12 months	7.40-7.30 dis.	6.76-6.66 dis

U.K. will build its full quota of multi-role combat aircraft

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITAIN INTENDS to build its full quota of 385 swing-wing Multi-Role Combat Aircraft (MRCAs), including 165 of the specialised Air Defence Variant, subject to satisfactory settlement of final contractual arrangements with its West German and Italian partners.

This decision, announced by Mr. Roy Mason, Secretary for Defence, in the Commons yesterday, clears away uncertainties expressed by the West Germans.

They had feared that any failure by the U.K. to develop the ADV as well as the basic IDS (interdicter-strike) model would raise unit costs by shortening the production run. That, warned the Germans, could mean the end of the project.

At present, the plans involve building 807 aircraft, 385 for the U.K., 322 for West Germany and 100 for Italy. The cost, at estimated unit prices of £5.3m. for the IDS version and £6.5m. for the ADV aircraft, would be £4.5bn. spread over about 10 years. The U.K's £2.15bn. share of this will be about 47.7 per cent., or about £2.15bn. So far, the U.K. has spent £275m. on its share of the MRCA development programme.

Mr. Mason said yesterday that "this is a clear go-ahead signal" for the MRCA. "At its peak it will employ some 10,000 of the present British Aircraft Corporation workers, mainly at Preston, and some 6,000 workers at Rolls-Royce, mainly in Bristol.

"A further 8,000 will be involved in the main suppliers of equipment and avionics. In all, about 24,000 people; and in the large number of supporting firms, the project may employ thousands more."

Mr. Mason also stressed that MRCA had a wider meaning as the biggest military aircraft collaborative programme in Europe. "Their success in producing the aircraft together, will provide a firm foundation for the co-operative procurement of other military equipment."

MRCA is required for two purposes in the U.K. The first is in the IDS version to replace existing Buccaneer, Canberra and Vulcan aircraft in tactical, strike and reconnaissance roles over land in Europe in support of ground forces, and for "air superiority" over the battlefield.

The second is in the Air Defence Variant (ADV) to replace Lightning and later also Phantom fighters in the interception of hostile aircraft not only over the U.K. but also over the North Atlantic on behalf of NATO.

Recently the Commons Expenditure Committee suggested that the ADV role might be met more cheaply by buying ground-to-air missiles or the U.S. McDonnell Douglas F-15 Eagle or General Dynamics F-16 fighters.

Mr. Mason made it clear that these views now have been firmly ruled out in favour of full development of both versions. While originally only the U.K. had shown interest in the ADV as well as in the IDS, it is now becoming clear that West German interest in the ADV is growing, while the Australians and Canadians are also possible buyers.

The basic difference between the two variants lies in the additional electronic systems in the ADV, including the "aircraft identification" radar, and its missiles. The rest of the aircraft, including engines and airframe, is common with the IDS.

The contractual arrangements between the three countries are now being hammered out, and are expected to be settled by midsummer. Already, nine prototypes and six pre-production aircraft are being built, of which six aircraft have flown.

The MRCA is the biggest single military aircraft production programme in Europe since the Second World War. It is considered by many as a possible cornerstone for any future European military aircraft development capability.

The success of the U.S. in winning the Starfighter replacement contract with the General Dynamics F-16 shocked many in the European aerospace industry, and has resulted in a reappraisal of attitudes towards the development of military aircraft on this side of the Atlantic.

It is thought that the existing MRCA programme, comprising Panavia (BAC, Messerschmitt and Aeritalia) on the airframe side, and Turbo-Union (Rolls-Royce, Motoren-und-Turbinen Union and Fiat) on the engine side, could together be the nucleus of a much larger military aircraft group, covering a wider range of aircraft than MRCA.

BSC puts up steel prices 10%

BY ADRIAN HAMILTON

THE British Steel Corporation has told its customers of major price rises from April 4.

The increases, which average about 10 per cent., will be made on about two-thirds of the Corporation's U.K. sales and are expected to bring in around £100m. more a year.

Although roughly in line with rises on the Continent, the increases are bound to bring severe pressure on car and other consumer durable costs.

Announcing the move yesterday, British Steel said the broad groups and average percentage price rises would be: billet and billet-derived products up 9½ to 12 per cent.; strip mill products up 10-13 per cent.; carbon steel plate up four to six per cent. and foundry iron up 15 per cent.

The rises would vary from product to product and according to qualities and extras.

While the rise, particularly on the strip mill sales had been expected for some months, the range of products affected appears to be somewhat broader than originally thought.

Despite the continued depression of the shipbuilding and construction markets, BSC has decided to take the plunge with a small increase of around 4-6.5 per cent. on steel plate used in boilers and vessels and to put up carbon billets and wires and light steel sections by as much as 12 per cent.

This means that customers who are paying about £115 a tonne for wire rods, will pay about £128 from April, while those paying perhaps £150 a tonne for steel plate, will pay about £156-7 a tonne.

Worst-hit, undoubtedly, will be car and truck manufacturers and the consumer durable industries. Car companies, in particular, complain that their steel costs have already risen by as much as 10 per cent. over the winter, with a series of price rises on billets, carriage tariffs, stainless steel flat re-rolled products and the loss of rebates.

The latest increases—which will take the cost of cold-reduced coils, for example, from about £140 a tonne to £157—will add 10 per cent. more to costs and will almost certainly cause more rises in car and truck prices.

In making the price adjustments, BSC is following a policy of changing its U.K. prices flexibly as far as market circumstances will permit. As the economy picks up, further adjustments may well be made later in the spring and summer.

FEATURES

For latest Share Index 'phone 01-246 8026

The week in London and New York

Sterling puts gilts in a spin

Equities have moved sideways in the face of this week's very *obvious pressures.* The news from southern Africa has worsened steadily, while on Thursday sterling started a run of weakness that had its trade weighted depreciation out to 31½ per cent. by the close yesterday. But the FT 30-Share index is only 0.5 points lower on the week, and at 404.7 the gain over the account is still 12.8 points. *The index has now traded in a* band of less than 30 points since early January.

Short-term interest rates have been easing all week and yesterday MLR went down yet another quarter point. The authorities clearly have a huge *commitment to sell gilts in* order to fund the borrowing requirement, but the *latest cut in MLR is nonetheless* hard to equate with the plight of sterling and the narrowing *gap between money market* rates here and in the U.S. Gilts came down sharply yesterday.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM FEBRUARY 5

	% Change
Toys & Games	+ 5.6
Motors & Distributors	+ 4.9
Electronics, Radio & TV	+ 2.6
Insurance (Life)	+ 2.3
Machine & Other Tools	+ 1.8
Engineering (General)	+ 1.7
All-Share Index	— 2.6

THE WORST PERFORMERS

Breweries	— 6.0
Property	— 6.4
Tobaccos	— 8.6
Banks	— 8.8
Investment Trusts	— 9.9
Shipping	—10.1

Contrasts among the composites

Commercial Union this week confirmed the worst fears about its 1975 results with an underwriting loss of £94m. and a pre-tax deficit of £10m. At the same time the extent to which CU is out of step with the rest of the composite sector was emphasised by the Royal Insurance's announcement of a *£7.5m. drop to £32.5m. in its* 1975 underwriting deficit. Royal's experience of an improving underwriting trend in all parts of the world except the Continent seems to be common to all companies except CU.

The *difference* between CU and the rest of the sector is explained by its appalling U.S. results—an underwriting loss of £75m., including a provision of *£15m. towards the cost of running* off cancelled business. All the composites with big U.S. *interests have had a difficult* time there over the last couple of years, and CU's explanation *as to why it has performed so* much worse than the others—an operating ratio of 113.9 per cent. for 1975 against 107.1 per cent. for the Royal—is that it was lulled into complacency by a reasonable performance a year ago and that there were major shortcomings in its agency network which were hidden in good years. Yet it is still puzzling why such a deterioration should develop without being spotted. However, CU has now cut back its contracts with about a fifth of its U.S. agency force and it should report a sharp improvement in worldwide underwriting results in 1976—mainly later in the year.

In contrast, Royal (also with a large U.S. business) had a *poor result relatively in 1974* and took much earlier action on the troublesome commercial classes. *Even in motor lines the* deterioration was halted during the final quarter and the main benefits of rate increases averaging 30 per cent. should come this year. Consequently pre-tax profits, which rose from £15m. to £32.4m. in 1975, *could rise to more than £60m.* this year.

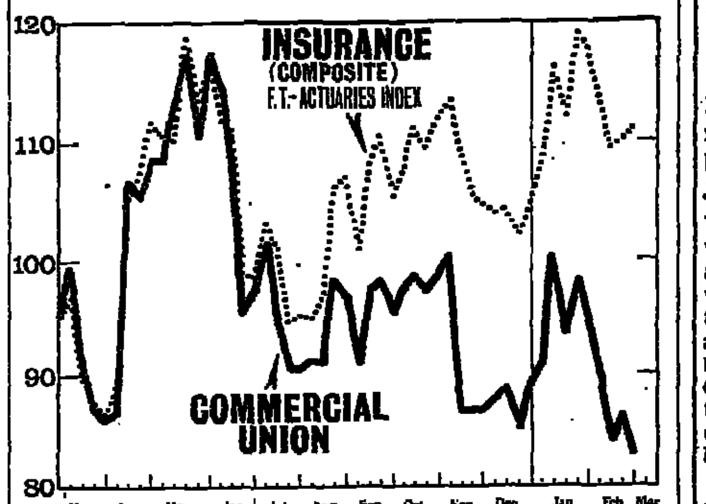
A tale of two technologies

Technology was a dirty word on Wall Street and Throgmorton Street until recently, but there is nothing a mature bull market likes more than a good products story. This has been apparent in a number of new issues in the U.S. lately: at home, this week brought up-to-date news of the London analysts' favourite "story stocks," as EMI unveiled its half-year figures and BSR officially launched its new remote control turntable.

EMI's 82 per cent. profits rise was well ahead of expectations, but its revolutionary Scanner *X-ray device only played a relatively* small part in the overall gain. It will have a much bigger impact in the current half (which is seasonally less important for the music business) and production rates have increased considerably from the average of 13 machines a month achieved in the first half of the year.

Competitive products are *still being announced: in particular,* GE of America is expected to start clinical trials on its model within the next three months. But EMI is building on its lead with further developments of its original model, and says that its order intake is as strong as ever. The shares moved firmly ahead this week—they are now close to the all-time high hit in 1969 before the U.S. record business went sour—and a current year p/e of not much more than 12 is still well within the bounds of reason.

For BSR followers, by contrast, this week has been something of an anti-climax—at least *in terms of share price performance.* The new model looks good, but the group now has to prove that it can break into a much more sophisticated market than that which it has dominated in the past. Meanwhile, there is a more immediate preoccupation in the *shape of next week's preliminary* figures.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1975/6 High	1975/6 Low	
F.T. Ind. Ord. Index	404.7	— 0.5	417.4	146.0	Resistant to adverse factors
F.T. Gold Mines Index	172.8	—11.1	442.3	164.0	Political uncertainty in Africa
Sthn. Rhodn. 2½% 1965/70	*£25*	*—11*	*£49*	*£25*	*Mozambique/Rhodesian situation*
Barclays Bank	285	—23	350	112	Results confirm lower profit trend
Black Arrow	11	— 7	27	11	Poor first-half report
Caird (Dundee)	34	—10	44	16½	Nervous selling after recent rise
Central Line	36	+ 8	39	18	Settlement hopes
Coronation	85	—15	345	80	Rhodesian situation
Dennis (James H.)	42	+ 4	46	13½	"Rights" issue/dividend forecast
EMI	*273*	*+19*	*273*	*62*	*Excellent half-time results*
Fox's Biscuits	108	+16	110	26	Sharply increased net profits
GKN	332	+16	339	95	Demand uncovers stock shortage
HTV	76	+14	76	13	Higher interim profits
Newey Group	67	—11	102	46	Results/loss
Northgate Expln.	360	—30	470	200	Noranda bid denial
Royal Insurance	330	+16	342	106	Satisfactory results
Scottish Metropolitan Prop.	76	—14	91	33½	"Rights" offer of conv. loan stock
TCK	102	—48	150	35	Badly missed profits forecast
Unilever	448	+10	462	170	Better-than-expected results
Youghal	98	+ 9	101	37½	Second-half profits upsurge

Banks hope for a better 1976

The big four's 1975 profits season was rounded off this week by Barclays. One or two of the bank's bad debt provisions were heavier than expected, but by and large the results contained no nasty surprises and life for the sector is now fast returning to normal. The chances are that this year the clearers' profits will show some recovery; meantime, the sector has featured in the wrong half of our monthly performance table on the last three occasions.

Lloyds set the ball rolling a *month ago; its £76m. rights* issue captured most of the headlines at the time, but in terms *of profits the group was to prove* the least healthy in the sector. There were no special provisions *this time, but losses at the FFI* and Grindlays associates knocked £9m. off income from *that quarter and "normal"* profits—adding back 1974's bad debt provisions of £51½m.—were 25 per cent. lower pre-tax, against 18 per cent. at both NatWest and the Midland and a decline of less than 5 per cent. from Barclays. Barclays special provisions were doubled at £30m., NatWest's were £5m. lower at £40m. and those at the Midland halved to £5m.

As for the earnings trends this year, the sector's fans point eagerly to the elimination (or nearly so) of bad debt provisions, a significant slowdown for costs and the possibility of growth in advances. There may also be some reversal of last *year's downtrend in interest* rates. Barclays took a low key view of prospects; but NatWest was much more hopeful expecting loan demand to improve, and towards the end of 1976 perhaps usefully so.

Meantime, Barclays with its international business spread—which did so much to cushion 1975's profits setback—is currently the premium stock, yielding 4.3 per cent. This is a full two points less than the Midland.

The bulls latch on to GKN

Guest Keen continued to gain ground this week and the shares have now risen 25 per cent. since the turn of the year against a 12 per cent. rise for the general engineering sector. On fundamental grounds GKN has its attractions. When the profits are announced for 1975, they will undoubtedly be lower than the £90.4m. pre-tax for 1974, but that is well discounted in the market, and interest is now focused on the recovery expected during 1976. One of the most signifi*cant of recent events has been* the £62½m. acquisition of a 75 per cent. stake in Sachs of *Germany; and though the effect* of this move on profits is difficult to forecast there is little doubt that Sachs will be making a very significant contribution in 1976.

GKN's share price performance looks the result of a combination of events. Conflicting rumours of what GKN's chairman said to engineering analysts *in the U.S. last week caused an* initial stir. But what had been thought to be very bullish *remarks were subsequently* shown to be the result of a misquotation. Nevertheless attention has been focused on GKN's genuine recovery prospects—at a time when the jobbers are apparently short of stock.

Onlooker

Marking time

BY JAY PALMER

NEW YORK, March

HAVING failed to pierce the magic 1,000 level on anything but an intra-day basis, the Dow Jones Industrial Index this week opted to mark time in what was, by recent standards at least, very modest trading volume. The slow and unspec*tacular gains seen on Monday* and Tuesday were quickly offset later in the week and served *only to reassure the* market that the previous week's sharp decline was not signalling a new bear trend.

Ever since this latest upturn really got going in the last days of 1975 (the second leg of the bull market which dates back to late 1974), it always seemed likely that the irrational importance of the 1,000 level to *market sentiment would ensure* that the Dow bounced back on its first try through.

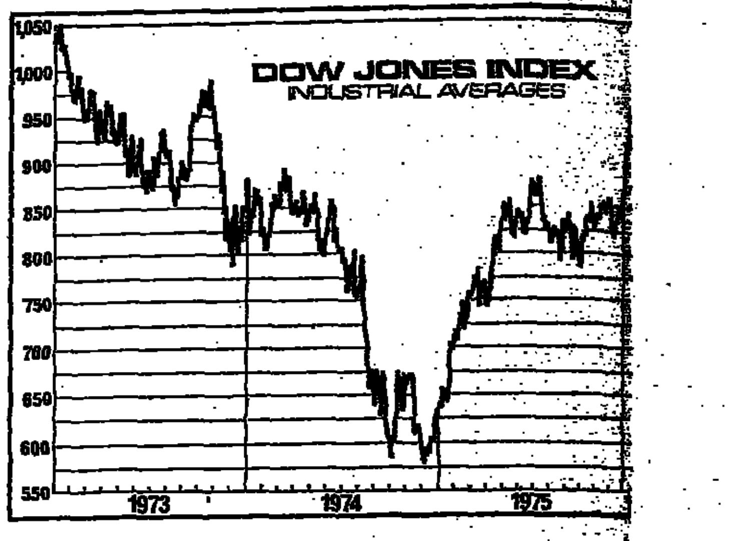
Inarguably, some measure of price consolidation is overdue. Once this is completed—and one could be talking about a time scale of anything between a few *days and a month—the chances* of moving ahead to new high ground are improving immeasurably. In any case, important market barriers are usually penetrated at the start of a new movement rather than at the end.

Over these last few days, both the New York equity and bond markets have been totally preoccupied with analysing the strong hints that the Federal Reserve Board has moved to tighten credit. This possibility first became apparent when the Fed allowed the Federal Fund rates, probably the key short-term interest rate, to climb *through the 5 per cent. level* without intervening to ... down.

Such a Fed policy ... have been unexpected ... that all intra-economic ... dicators report an unexpe... vigorous first-quarter ... recovery which could ... treated, threaten a rise ... tion. But the fact that ... tightening of credit ... theoretically reasonable ... *indeed inevitable* doe... necessarily make the ... like it.

There seems every chan... the moment that the go... ment's earlier economic... tions for the year will ... have to be revised upwa... useful bonus to President ... in his campaign for ... Republican presidential no... tion. Figures to-day show ... February unemployment ... be down (the fourth succe... *monthly drop)* while earlie... week the market heard o... continuing sharp sales ... both for domestic car ma... and this country's larges... tailers.

These retailing sales fi... are serving to reinforce ... view (touched on in last w... column) in the broking rese... houses that the Christmas ... *surge was not a flash in* pan. Recently issued buy re... mendations for the le... *retailers will,* backed by ... latest February sales gai... between 10 and 25 per ... almost certainly quickly ... this sector as a whole back ... line with the market.



Day	Close	C
Mon.	975.36	
Tues.	985.12	
Wed.	978.83	
Thurs.	970.64	
Fri.	972.92	

Mining

Waiting for the rainbow

BY KENNETH MARSTON, MINING EDITOR

ANOTHER week of nervousness, heightened by the closure of the Mozambique - Rhodesia border, has made its mark on Southern African share prices generally. While the price of gold has marched along steadily at just over $130 per ounce the Gold Mines index has dropped to its lowest level since early in December, 1973, a 26 per cent. fall having taken place during the past four weeks.

The mining finance and base-metal issues have also suffered and one cannot really expect anything else until the crisis in Southern Africa appears to have passed and the market can then settle down to adjust to the new situation. The hope must be that share prices have overreacted, as they so often do, and that a recovery will follow. They were looking much brighter yesterday thanks to the higher investment dollar premium.

Certainly, De Beers are being borne very much in mind as a potential recovery prospect. The fact that about one-third of the big diamond group's earnings come from South-West Africa has naturally enough weighed heavily on the shares. They have fallen this week to 190p at one time, a far cry from the 1975-76 high of 335p which was reached in January.

The latter figure reflected anticipations, which seem to have been borne out so far that diamond sales will stride forward this year whereas the current share price may do less than justice to Mr. Harry Oppenheimer's skill in coming to terms with any responsible new government which may emerge in the territory. Meanwhile, De Beers 1975 results are due next week and a modest increase in the dividend total, possibly to 28 cents from 25 cents in 1974, looks to be on the cards.

Bewitched?

Possibly more flustered than flattered, by the rival take-over approaches made a year ago by **Gold Fields of South Africa and General Mining,** the gold-platinum **Union Corporation** group attempted to chase away its suitors with the *promise of* a dividend to its own shareholders of 42 cents compared with 24 cents in 1973. That promise was honoured although it lowered the dividend cover despite buoyant profits in that year.

Union Corporation has maintained the 42 cents' dividend rate for 1975, although earnings for the year have fallen largely as a result fo adverse share-market conditions and a reduction in dividend income from the holding in **Impala Platinum.** The latter *should contribute* more in the current year, but this increase will probably be *offset by lower income from* gold.

General Mining, which *emerged from the bid battle* with a group stake of 29 per cent. in Union Corporation, has also reported 1975 results this week. They have shown a further rise to R26.1m. (£14.8m.) from R22.5m. in 1974 and, as promised, the dividend rate has been maintained at 210 cents (119p) on the capital increased by last year's 12-for-100 rights issue.

Taking the story a step further we come to the *Afrikaner Federale Mynbou* group which directly and indirectly owns some 57½ per cent. of General Mining. Fedmyn has now reported a 37 per cent. jump in 1975 net profits to R13.4m. (£7.6m.) And it will be recalled that Fedmyn raised R74.5m. last year via a share deal with Afrikaner and U.S. interests which include the powerful **Rembrandt** diversified tobacco group.

General Mining, on the other hand, is short of cash despite a rapid growth in earnings during recent years. Finances were strained by the Union Corporation acquisition and, indeed, this necessitated borrowings of some $U.S.85m. (£42m.). So it is still considered likely that there could be a merger of Federale and General Mining.

This, it is argued, would lead to the subsequent full acquisition of Union Corporation to form a large Afrikaner-controlled mining finance group. Well, we shall just have to wait and see. But the possibility may be of some solace to Union *Corporation shareholders now* that the price of their shares is down to 270p compared with the 1975-76 high of 580p. End-1975 net assets, incidentally, had a value of 720 cents (412p) per share.

A new shuffle

Moving on to Australia we come to an interesting deal between what might be described as a big winner and a small hopeful in the exploration stakes. **Pancontinental,** which has discovered what is possibly the world's biggest uranium deposit, is to explore the neighbouring property in the Northern Territory of **Ocean Resources.**

Ocean and the Canadian **Superior** group share the Ormac uranium property which lies in *an Aboriginal Reserve. Under* the deal now proposed Pancontinental will take a 10 per cent. stake and **Consolidated Gold Fields Australia** will be able to earn 20 per cent. by spending, between them, some $750,000 on exploration. The arrangement will leave Ocean with a 45 per cent. interest in Ormac and Superior with the remaining 25 per cent.

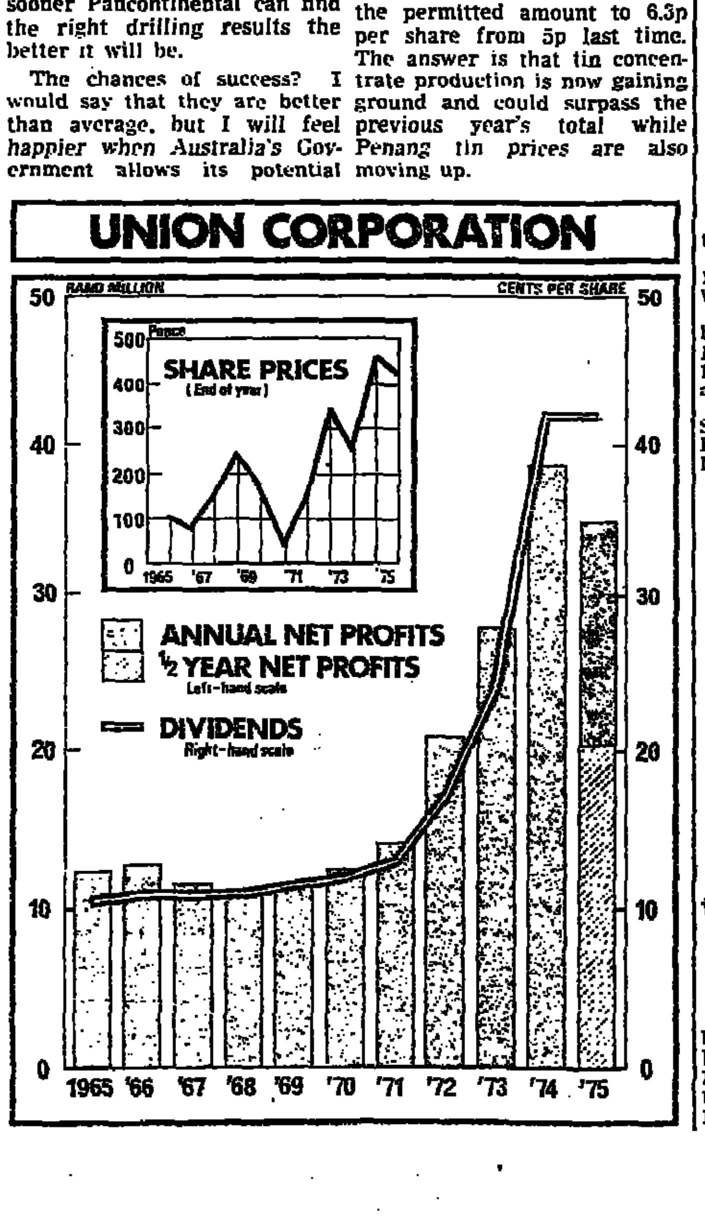
Pancontinental is also to be given options over 15 per cent. of *Ocean's shares at prices* starting from 50 cents (31p) and rising in six-monthly stages after next February to 75 cents, 100 cents and 150 cents. So the sooner Pancontinental can find the right drilling results the better it will be.

The chances of success? I would say that they are better than average, but I will feel *happier when Australia's Government* allows its potential uranium producers to go ahead and tie up the sales contracts which are now being snapped up by other world producers.

Bear in mind

Finally, two small points of interest arising from this week's *news. The first is a reminder* that Selection Trust's already useful revenue from the North *Sea oil and gas operations*—notably in the highly profitable operations of craneship "Thor"—is now to be augmented by the **Noordwinning** group's start of natural gas deliveries. Full production could mean a net annual revenue of up to £0.5m. for Selection Trust which is a member of the consortium. Selection Trust made a group net profit of £6m. in the year to last March.

The second point is that, despite lower half-year profits, the Eastern tin-producing **Ayer Hitam** has raised its interim by the permitted amount to 6.3p per share from 5p last time. The answer is that tin concentrate production is now gaining ground and could surpass the previous year's total while *Penang tin prices are also* moving up.



TV/Radio

† Indicates programme in black and white.

BBC 1

9.00 a.m. Bagpuss. 9.15 Devlin. †9.35 Whirlybirds. 10.00 Play Rugby. 10.25 On The Move. †10.35 Zorro. 11.00 The Little House on *the Prairie.* *11.50 Bugs Bunny.* †11.55 Laurel and Hardy in "The Music Box." 12.27 p.m. Weather.
12.30 Grandstand: Football Focus (12.35); Indoor Hockey (1.00, 1.40); Racing from Haydock (1.20, 1.50, 2.20); World *Figure-Skating* Championships (2.10); Rugby Union (2.40) Wales v. France, and at 4.30 England v. Ireland highlights; 4.45 Final Score.
5.05 Walt Disney's The Mouse Factory.
5.30 News.
5.40 Sport/Regional News.
5.45 Dr. Who.
6.10 Jim'll Fix It.
6.45 Saturday Night at the Movies: "The Far Country," starring James Stewart.
8.20 Cilla.
9.05 Cannon.
9.55 News.
10.05 Match of the Day Special.
11.30 Saturday Night at the Mill.

All Regions as BBC-1 except at the following times:—

Wales—9.35-10.00 a.m. Telifant. 12.15 a.m. News and Weather for Wales.

Scotland—4.55-5.05 p.m. Scoreboard. 5.40-5.45 Scoreboard. 10.05-10.35 The Songs of Scotland. 10.35-11.30 Sportscene Special. 12.15 a.m. Scottish News Summary.

Northern Ireland—4.55-5.05 p.m. Scoreboard. 5.40-5.45 Northern Ireland News. 12.15 a.m. Northern Ireland News Headlines.

BBC 2

7.40 a.m.-1.55 p.m. Open University.
1.55 Westminster.
2.25 Play Away.
2.55 Rugby Union: England v. Ireland.
4.30 Saturday Cinema: "The Proud Ones," starring Robert Ryan and Virginia Mayo.
6.00 The Money Programme.
6.45 Open Door.
7.15 News and Sport.
7.25 Rugby Special.
8.05 Our Mutual Friend.
8.55 The World of Ivor Novello.
9.55 2nd House.
10.55 Open Door.
11.25 News on 2.
†11.30 Midnight Movie: "Eight O'clock Walk," starring Richard Attenborough.

LONDON

9.00 a.m. Catch '76. 9.25 Parents Day. 9.50 The Beachcombers. 10.20 Fantastic Voyage. 10.45 Junior *Police Five.* 11.00 Run, Joe, Run! 11.30 Space 1999.
12.30 p.m. World of Sport: 12.35 On The Ball; 1.00 International Sports Special (Part 1) Surfing; 1.10 News from ITN; 1.20 The ITV Seven—1.30, 2.00, 2.30 and 3.00 from *Market Rasen;* 1.45, 2.15 and 2.45 from Hereford; 3.10 International Sports Special (Part 2) Indoor Athletics—USSR v. U.S.A. from Leningrad; 3.50 Half-time Round-up; 4.00 Wrestling; 4.50 *Results Service.*
5.05 News From ITN.
5.15 Cartoons.
5.30 Supersonic.
6.00 New Faces.
7.00 Celebrity Squares.
7.45 Hawaii Five-O.
8.30 The Best of Upstairs, Downstairs.
10.30 News From ITN.
10.45 The International Pop Proms.
†11.45 "Cover Girl Killer," starring Harry H. Corbett.
12.40 a.m. Crime, Gentlemen, Please.

All ITV Regions as London except at the following times:—

ANGLIA

9.50 a.m. Checkmate. 10.15 Hammy Hamster's Adventures on the Riverbank. 10.30 Baldmoney, Sneezewort, Dodder and Cloudberry. 10.45 Adventures in Rainbow Country. 11.10 Clapperboard. 11.35 Born Free. 5.15 p.m. Cartoon Time. 5.30 The Flintstones. 7.45 The Big Film: "Adventures of the Queen" starring Robert Stack. 11.45 Russell Harty. 12.35 a.m. At The End Of The Day.

ATV MIDLANDS

9.15 a.m. Plain Sailing. 9.40 Parents Day. 10.10 Tiswas. 5.15 p.m. Return to the Planet of the Apes. 5.45 New Faces. 6.45 Six Million Dollar Man. 7.45 Saturday Cinema: "Cactus Flower" starring Walter Matthau, Ingrid Bergman and Goldie Hawn. 11.45 ATV Today Pick of The Week.

BORDER

9.30 a.m. Catch '76. 10.00 Parents Day. 10.30 Man From U.N.C.L.E.—The Spy in the Green Hat. 12.00 The Geordie Scene. †5.15 p.m. Border Sports Results. 5.20 Cartoon Time. 5.30 New Faces. 6.30 Celebrity Squares. 7.15 Now Who Do You Do? 7.45 Big Star Film: "Adventures of the Queen" starring Robert Stack.

CHANNEL

5.15 p.m. Space 1999. 6.15 New Faces. 7.15 Sale of the Century. 7.45 The Saturday Film: "Ten Tall Men." 11.45 Police Surgeon.

GRAMPIAN

10.40 a.m. Junior Movie: "Rogues of Sherwood Forest" starring John Derek. 12.00 The Geordie Scene. 5.15 p.m. Cartoon Time *followed by Highland* League and Shinty Results. 5.30 New Faces. 6.30 Celebrity Squares. 7.15 Now Who Do You Do? 7.45 The Big Film: "Adventures of the Queen" starring Robert Stack. 11.45 Wild Life Theatre. 12.14 Evening Prayers.

GRANADA

9.15 a.m. Catch '76. 9.40 Parents Day. 10.05 Sesame Street. 11.10 The Count of Monte Cristo. 11.35 Daniel Boone. 5.15 p.m. Cartoon Time. 5.30 New Faces. 6.30 Now Who Do You Do? 7.45 The Big Film: "Adventures of the Queen." 10.45 The Protectors. †11.15 The Late Film: "Hell is For Heroes."

HTV

9.35 a.m. Catch '76. 10.00 Parents Day. 10.30 Sesame Street. 11.30 The Adventures of Black Beauty. 12.00 Supersonic. 5.15 p.m. Cartoontime. 5.30 New Faces. 6.30 Yes, Honestly. 7.45 The Big Film: "Nobody Runs For Ever" starring Rod Taylor and Christopher Plummer. 11.45 Kung Fu.

HTV Cymru/Wales—As HTV General Service except: 6.30-7.00 p.m. Carreg Filltir.

SCOTTISH

9.30 a.m. Catch '76. 9.55 Parents Day. 10.30 Ski-ing With Gina. 10.55 Felix the Cat. 11.10 Animated Classics. 12.00 The *Geordie Scene.* *5.15 p.m. Aquaman.* 5.30 New Faces. 6.30 Now Who Do You Do? 7.45 Feature Film: "The Texican" starring Audie Murphy. 9.15 Love *American Style.* 11.45 *Late Call.* 11.50 Police Story.

SOUTHERN

9.15 a.m. Catch '76. 9.40 Parents Day. 10.10 Kitchen Garden. 10.37 Regional Weather Forecast. 10.40 Porky Pig and Daffy Duck. 10.50 Supersonic. 11.20 Fantastic Voyage. 11.45 Adventures in *Rainbow Country.* *12.15 p.m. Southsport.* 5.15 Return to the Planet of the Apes. 5.35 Candid Camera Classics. 6.05 The Magician. 7.45 The Big Film: "Hell On Frisco Bay" starring Alan Ladd and Edward G. Robinson. 11.45 Southern News. 11.50 Bygones.

TYNE TEES

9.30 a.m. Catch '76. *9.55 Parents Day.* 10.20 Opportunity. 10.25 The Man From UNCLE: "The Spy In The Green Hat." 12.00 Indoor League. 5.15 p.m. Cartoon Time. *5.30 New Faces.* *6.30 Celebrity* Squares. 7.15 Now Who Do You Do? 7.45 The Big Film: "Adventures of the Queen." 11.45 The Collaborators. 12.40 a.m. Epilogue.

ULSTER

10.30 a.m. Kitchen Garden. 11.00 Hammy Hamster's Adventures on the Riverbank. 11.30 Sesame Street. 5.00 p.m. Ulster Sports Results. 5.15 Cartoon Time. 7.00 Sale of the Century. †7.30 Saturday Movie: "Von Ryan's Express," starring Frank Sinatra and Trevor Howard. 11.45 The Protectors.

WESTWARD

9.30 a.m. Catch '76. 10.00 Parents Day. 10.25 *Big Blue Marble.* *10.50 Look And See.* 10.55 The Geordie Scene. 11.20 The Gus Honeybun Show. 11.35 Planet of the Apes. 5.15 p.m. Space 1999. 6.15 *New Faces.* 7.15 Sale of the Century. 7.45 The Saturday Film: "Ten Tall Men." starring Burt Lancaster. 11.45 Police Surgeon. 12.10 a.m. Faith for Life.

YORKSHIRE

9.30 a.m. Catch '76. 9.55 Parents Day. 10.25 Man From UNCLE. 12.00 The Geordie Scene. 5.15 p.m. Cartoon Time. 5.30 New Faces. 6.30 Celebrity Squares. 7.15 Now Who Do You Do? 7.45 The Big Film: "Adventures of the Queen." 11.45 The Collaborators.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 8.00 Ed Stewart with Junior Choice (also on VHF) (S), including 8.45 Young Ideas in Action. 10.00 Rosko. 1.00 p.m. Lonnie Donegan's Top-Twelve (S) (also on VHF). 2.00 Alan Freeman (S) (also on VHF). 5.00 Paul Gambaccini (S) (also on VHF). 6.30 In Concert (S) (also on VHF). 7.30-12.33 a.m. As Radio 2.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Tom Edwards (S). 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Charlie Chester with your Smiling Saturday Show (S). 12.02 p.m. Two's Best (S). 1.02 The Family Brandon (1,500m only, also 202m Scotland, VHF joins Radio 1). 1.30-5.55 Sport On 2 (1,500m only, also 202m Scotland, VHF joins Radio 1): Grand Prix Special (1.20, 2.10, 5.30); Cup Tie Special (1.40, 2.15, 2.40, results and classified checks at 5.00 and 5.45); Rugby (1.40, 2.40, 3.00, 4.50, 5.25) Wales v France; England v Ireland; Racing from Haydock (1.40, 2.00, 2.25, 4.50, classified check at 5.40); plus news of the World Ice-Skating Championships, World Bowls Championships, and at 5.00 Sports Report. 6.03 Star Sound (1,500m only, also 202m Scotland, VHF joins Radio 1). 7.. ... toe and Son (1,500m only, 202m ... *VHF joins Radio 1).* 7.30 Sou... Pops Concert (S). 10.02 Europe ... 11.02 Sports Desk. 11.05 Alan De... The Late Show (S) including 12.0... 12.31-12.33 News Summary.

RADIO 3 464m, Stereo & ...

8.00 a.m. News. 8.05 The Youn... (S). 9.00 News. 9.05 Record Revi... 10.15 Robert Mayer Concert (S). Beethoven: Octet in E flat (S). 12... Robin Ray presents popular clas... gramophone recordings (S). 12.5... 1.00 Foreign Press Review. 1.2... and Mozart chamber music conce... 2.15 Man of Action: Dr. Alan ... chooses records (S). 3.35 Music ... *Masters:* Prokofiev, Beethoven (S... Jazz Record Requests (S). 5.... Classical Guitar (S). 6.55 Critics' ... 7.45 Itzhak Perlman violin recit... 8.00 "Rosmonda D'Inghilterra," ... opera in two acts, music by Do... Act 1 (S). 9.15 The preparation ... opera (talk). 9.30 "Rosmonda d... *terra,* Act 2. 10.50 Backles (play) ... Nicanor Zabaleta harp recital (S). 11.30 News.

Radio 3 VHF only—6.00-8.00 a.m. ... University.

RADIO 4

434m, 330m, 285m and ...

‡ Medium Wave only

6.30 a.m. News. 6.32 Farming ... ‡6.50 Outlook. VHF Regional New... Weather, programme news. 7.00 ... 7.10 On Your Farm. 7.40 Today's ... 7.45 Outlook. 7.50 Today, includ... ‡7.50 Keep Fit or VHF Regional ... 7.55 Weather, programme news ... News and more of Today with 8.50 ... desk. 8.40 Today's Papers. 8.50 ... day in Parliament. 9.00 News. From Our Own Correspondent. 9... Week in Westminster. ‡10.00 News. The Weekly World. ‡10.15 Daily ... ‡10.30 Pick of the Week. ‡11.30 ... Now. 12.00 News. 12.02 p.m. Rob... (S) as Radio 3. ‡12.55 Weather ... gramme news. VHF (except Lond... SE) Regional News. 1.00 News ... Any Questions? ‡2.00 Weekend ... News. ‡3.05 Thirty-Minute Theatr... Music of the Masters (as Radio 3 ... PM Reports. ‡5.55 Weather, prog... news. VHF (except London ... Regional News. 6.00 News. 6.... The Week with Robert Robinson ... News. 7.02 Desert Island Discs ... Those You Have Loved (S). 8.30 ... day-night Theatre (S). 9.58 ... 10.00 News. 10.15 A Word in Edg... 11.00 Lighten Our Darkness. 11.... VHF only—9.05 a.m.-12.00 and ... 5.00 p.m. Open University.

BBC Radio London

206m and 94.9 ...

6.00 a.m. As Radio 2. 7.32 Good... ing. 8.00 News; Weather, traf... today's sports news. 8.15 The ... Gardener. 8.30 Antley Jones with ... day Scene. 10.30 Sportsline. 11.... Vincent's Saturday Show. 1... Close Up. 2.30 Jimmy Henney ... Sport. 5.00 As Radio 2. 6.00 News ... 6.03 Support Your Local. 6.30-12.... As Radio 2.

London Broadcasting

261m and 97.3 ...

6.00 a.m. Morning Music. 7.00 ... 261. 7.30 This Is London. 8.00 ... 10.00 Jellybone. 12.00 London ... 1.00 p.m. Newswatch. 1.30 Sports ... 6.00 Newswatch. 6.30 Parlia... Report. 7.00 Artsweek. 9.00 ... Bassett. 1.00-5.30 a.m. Nightwatch ... every half-hour.

Capital Radio

194m and 95.8 ...

6.00 a.m. Kerryground. ... Countdown. 12.00 Kenny Everett ... week's madness concentrated into ... hour musical maelstrom. 2.00 ... Person to Person. 4.00 London ... 6.00 Soul Spectrum. 10.00 Tommy ... 2.00 a.m. Night Flight.

Your savings and investments

A switch to commodities

Y CHRISTOPHER HILL

NCE UPON a time investors ways went into unit trusts at e top of a bull market, but is sad fact has been so well blicised since 1972/73 that a action has set in against being o optimistic when general nfidence is improving. So we e not seeing "ultra-high" owth unit trusts being unched at this stage in the arket; and managers still ve half an eye on the income turn for investors. Also, the ndency of the F.T. Ordinary dex to oscillate around the 0 mark has not produced any phoria with the average instor, although it may have assured the institutional inager that the situation has ibilised.

So this week we have two oups pursuing a different tack an a straight drive towards owth, veering instead towards mmodity share funds. The o groups are M and G and wson Securities and both ve produced similar new ists, the one being more pital-growth orientated with a per cent. gross yield, the ner being more biased towards come at 7½ per cent. Both ve the same theme however. his is that because world onomics are recovering—beit slowly—the demand for w materials is bound to inease. And they take heart om the fact that commodity ices have recovered relatively owly so far. Both have turned eir faces for the moment gainst launching offshore funds hich invest directly in comodities. The main reason for is is that both are in the unit retail" business to the verage investor and it is impossible for a unit trust group o actively promote an offshore und to the general public.

So what are the prospects for commodity share funds? At one time it was customary to say that such funds were strictly or the speculative investor and hey were usually high yielding unds which offered capital owth as an afterthought. deed when the first of the mmodity funds—Ebor Comodity—was launched, there s more than a little prejudice ainst involving the investor high yielding plantation ares, dependent partially on e weather and partially on the ernal politics of countries ich were equated with nana" republics. But over past ten years so many nges have occurred in the estment field that no one is e any longer whether it is the raw material producers ich are the "blue chip" stocks ner than the U.K. companies ch are on the receiving end heir products.

f course all the managers still say that commodity re trusts are a "more vola-" investment than their eral run of unit trusts. But ough this may be borne out short term statistics, the ger term records compare ourably with many of the leading trusts which concentrate on U.K. stocks and very favourably with specialist funds which concentrate on other areas—Europe, for example. Taking Ebor Commodity, the £21m. pioneer of the commodity field, as the best example, the fund may not have done so well over the past year, but over the past four years (according to the figures of Planned Savings) it is the best performer in the unit trust industry and is the fifth best performer over the six-year haul. Of course, looking at some of the long term figures, this may not be saying very much.

But trying to choose between one commodity trust and another is not easy. Ebor Commodity fund has the longest record but is now a rather large fund which necessarily finds it difficult to manoeuvre. On the other hand, the two new trusts in the commodities field have untested management when it comes to running a purely commodities fund—though this may not be particularly important for M and G's investment director is also a longstanding director of Gill and Duffus and Lawson has the advice of De Zoete and Bevan. For the record, the Lawson fund has the higher yield and is keeping its options open while the M and G trust seems to be more currently pre-disposed to overseas traders like Inchcape and Sime Darby. But events move rapidly in this field and price movements could play havoc with preconceived plans. Neither fund is particularly keen on the mining stocks which have been hit by the Rhodesia situation, but investors with steady nerves might well find it worthwhile in the long run to chance their arm on current suffers like Slater Walker Gold and General.

● CHARGES

Two rules

UNIT TRUST charges have always been a topic for discussion in the unit trust business but in my experience unitholders have never been very interested. They are more concerned with overall performance and don't mind paying charges if the managers do well. But there are fixed rules by the DOT that management charges should not exceed more than a total of 13¼ per cent. over 20 years and there have been suggestions to the effect that this is too low.

It seems to me, however, that a percentage levy at least allows for inflation and the problem which exists is that some comparable investment media to unit trusts have a much greater flexibility to levy charges. I refer particularly to property bonds which charge up expenses to the fund and then levy their management charges afterwards.

New linkage

BY ERIC SHORT

AT investors would like in deal investment world is a vth vehicle which delivers goods on a short-term basis. stment in building societies ides a straightforward ns of short-term investment a minimum of fuss. Regusavings through a life policy ies substantial tax advans. But the past attempts ink these two investment cles have not really set the her on fire as far as the age investor is concerned.

erefore I was interested in new scheme launched by nce Building Society—In and Insure Bonus Plan h approaches the linking a new angle. The investor sits a lump sum, varying £1,000 to £9,000, with nce as a normal investment. interest on this money is used to pay the monthly iums on a 10-year life y and Alliance has linked ith the Sun Alliance and on Insurance Group using apital Plan as the life le.

is is a traditional withs contract and the invesunder the back-to-back gement can claim tax on the premium paid. He of course, to include the est on his tax return in the al way. The ultimate benethe life policy at maturity be free of any taxes and ldition to these benefits nce Building Society will pay a maturity bonus of r cent. of the original sum end of the 10-year period. investment advantage of this scheme is that the investor can accumulate a larger sum through the plan with the interest payments, than he would if he left them to roll up in the deposit account. For example, an investor aged 35 who puts £5,000 in the scheme could expect to receive £10,091 after 10 years on Current Sun Alliance bonus rates. The £5,000 on deposit would have grown to £9,984 in the same time. In addition, the investor would have received tax relief on his premiums over the 10 years and had full life cover under the new plan.

But many younger investors use building society investment with the ultimate aim of getting a mortgage with favourable treatment. The new plan will confer the usual advantages in making a deposit when seeking such a mortgage and the life assurance policy can be used in repaying any loan. In this respect the term is rather short, but the policy has a guaranteed insurability option, so that a fresh life contract can be taken out without evidence of health up to the same monthly premium.

This sort of linking between building society and life assurance investment offers interesting possibilities. In particular, I feel that investing in a flexible endowment contract would be more in line with the requirements of building society investors, looking ultimately for a policy that will repay a mortgage. The Sun Alliance already has a flexible house mortgage repayment scheme—its Economy Plan Plus.

Interest rate uncertainty

BY ERIC SHORT

INVESTORS HAVE seen the level of interest rates come steadily down this year over the whole range — 3 monthly rates have dropped from 10½ per cent. to 8½ per cent. and long term yields, as measured by Consols 2½ per cent., from 15 per cent. to 13¾ per cent. Last time I wrote on the fixed-interest market, the general view was that interest rates would continue to fall. Now the expectations are that there will be at least a temporary halt in this falling trend, with the possibility of interest rates rising again later this year.

So perhaps now is an opportune time for investors to review their fixed-interest portfolio, including cash holdings, and to consider the returns available in this sector.

The gilt market at present is not a field in which the private investor can look forward, with any confidence, to a useful return. Consols 2½ per cent. will give him a return of 13.7 per cent. gross—still comparatively high. But unless the rate of inflation is brought down and kept down below this level, the investor looking for income, will not get a positive return on his money.

The classical advice in times of uncertainty is to keep as liquid as possible, and invest when the outlook is clearer. Treasury Bills will provide investors with a return of 8½ per cent. gross on an annual basis. Investors should take care, however, if selecting high-coupon short-dated gilts. The highest yielders are capital-loss situations.

Low coupon gilts have always attracted higher rate taxpayers, because they do not attract capital gains tax if held for more than one year. Investors who with foresight (or luck) bought gilts at the bottom of the market will have acquired useful potential capital gains on their holdings. It may well be opportune to realise some of these gains and higher rate-payers could switch into a short-term low coupon stock such as Treasury 3 per cent. 1977.

The ultimate decision must depend on what investors consider will happen to interest rates over the rest of the year. This hinges on two factors—the contents of the Budget on April 6 and the movement of overseas rates, especially those of the U.S. But the market considers that even with a favourable Budget, the scope for further reductions in U.K. interest rates is limited. This could reinforce any decision to realise capital gains.

Standard rate taxpayers and smaller investors will probably find the cash investments outside the gilt market to be more attractive. Building Society accounts have always been popular and this popularity has grown recently. The return has remained steady at 7 per cent. net (10.77 per cent. grossed-up) for a long time, while the return on bank deposits has been steadily reduced as the Minimum Lending Rate has been cut.

Now this latter rate stands at 5½ per cent. gross—half that of Building Societies. No wonder these are enjoying at present a steady inflow of funds. There are certain pressures, in these circumstances, for Societies to cut their mortgage rates and this must mean a corresponding reduction in the return on shares.

The Building Societies Association is meeting on the Friday following the Budget, when a recommendation on rates is expected to be made. What this will be depends very much on the contents of the Budget, but assuming conditions are favourable, a reduction of one half per cent. is likely.

Local authority investment has never been popular with individual investors, despite the higher returns available compared with gilts. Capital gains tax liability and lack of marketability are the two main reasons for this. Yearling bonds have received more attention in recent months and this week the rate on these bonds went up to 10¼ per cent. reversing the recent downward trend—a straw in the wind perhaps. A more telling feature is that a return in excess of 12¾ per cent. was insufficient to prevent this week's £100m. GLC issues from being undersubscribed.

CURRENT RETURNS

Investment	Yield %
Bank Deposits	5½
Building Society	7(a)
Local Authority Yearling Bonds	10¼
Treasury Bills	8½
Consols 2½%	13.7

(a) Grossed-up 10.77%.

Loan matching

BY TERRY GARRETT

INVESTMENT TRUSTS are moving back into multi-currency loans rather than investing through the dollar premium market. Gradual though this trend is—there has only been some $40m. raised over the past six months—it conjures up memories of the industry's last spate of overseas loans in 1972-1973 when some managers subsequently burnt their fingers by mis-matching assets and liabilities.

Yet the current situation has some inherent differences to 1972-73. At that time European markets looked particularly attractive and there was an incentive to maximise the potential exchange gains. This not only spawned a series of specialist trusts aimed at individual markets, but also the established trusts were eager to gain wider international portfolios. Fund managers looking for a relatively cheap area to gear up by borrowing, found it in Switzerland where rates were under 3 per cent. Therefore much of the £250m. worth of loans raised during that period was in Swiss francs, for investment elsewhere.

The combination of events that followed, when stock markets started to turn down, must have been a nightmare to some managers. As market prices fell, asset values were obviously in decline, but also the Swiss franc was turning into the strongest currency of all. So not only were, say, dollar investments falling in value, but in Swiss franc terms the decline was far more dramatic. Therefore as liabilities were no longer covered by assets, many trusts were forced to top up assets by buying premium dollars, which were also rising in price.

This time the industry is not leaving itself open to such potential disasters. Figures compiled by Wood Mackenzie show that at last December two-thirds of outstanding multi-currency loans were in dollars, against just 14 per cent. for Swiss francs. So, fund managers are taking a more cautious line when raising funds, and not just chasing low-cost loans. Also they appear to be adopting a much tighter attitude to matching loans and investments in the same currency.

Another difference with the latest moves is the timing. In 1972-73 many funds were investing at what proved to be the top end of the market. But now investments are being made when many feel optimistic about the likelihood of economic recovery, and would agree that there is still upside potential left in stock markets. Also investing mostly in U.S. stocks with dollar loans limits the danger of foreign exchange movements.

Finance and the family

Malicious prosecution

BY OUR LEGAL STAFF

I have very difficult neighbours who are always complaining to the police. Last year the police actually charged me and forced me to prove my innocence, though the matter did not go to court. The previous occupants of my house had the same trouble and I have decided it is time to take action for malicious prosecution, but have been given conflicting information, especially that I must be found not guilty, that the fact I was charged is enough and that time may have run out. What, please, is your advice?

There are conflicting statements in the cases on this branch of the law, and this has no doubt given rise to the conflict of information. As you do not state what the charge in question was, it is difficult to advise fully. The normal rule is that the proceedings must have terminated in your favour, but this rule is difficult to apply if there was no actual prosecution, and it remains unclear how far a charge which does not result in prosecution may afford a ground for the claim. Dominion cases suggest that it may, but English cases do not yet appear to go that far. You would be wise to consult a solicitor. We do not think that you would be statute barred if the events in question occurred last year.

Beneficiaries and an estate

Can any beneficiary of an estate when it has been wound up, demand to see all the documents concerned? Must all beneficiaries agree? When the administrator has finished his work, to whom do the papers belong? Can a person given power of attorney by a beneficiary obtain information? Can beneficiaries propose an auditor to the administrator? Can you please cite your authority for your replies?

Any beneficiary is entitled to inspect the books and documents of the estate and it does not require the consent of other beneficiaries. The documents themselves will normally become the property of the principal beneficiary after the estate has been fully administered. A beneficiary may exercise his or her right through a properly appointed attorney—the administrator must of course be satisfied as to the validity of the power of attorney. The beneficiaries cannot impose an auditor of their choice on the administrator, they can only dispute the estate accounts themselves: if need be, bringing an administration action in the High Court. The chief authority on the disclosure of trust documents to a beneficiary is *Re. Londonderry's Settlement* [1965] Ch. 918.

Validity of a mortgage

Is it correct that as I am advised under the present law, the principal sum secured by a mortgage is limited to the exact amount of the outstanding loan and therefore cannot be linked either to the market value of the house or to the cost of living index so that any property deed containing such provisions cannot be called a mortgage?

We think that your information was not accurate. It is thought that a mortgage of the kind you describe could be a valid mortgage, but not all such mortgages would be so. This is because of the equitable doctrine which invalidates a "clog on the equity of redemption." A decision in the Chancery Division of the High Court in 1967, *Cityland and Property (Holdings) Ltd. v. Dabrah* [1968] Ch 166, demonstrates the application of this principle to "inflation-linked" mortgages.

A small scale conversion

With reference to your reply under A Small-Scale Conversion (January 24), in our district extension permission under building regulations is necessary. Is not this generally the case?

Our reply was directed to the need for planning permission. It is often the case that other consents, for example, under the Building Regulations, may be required even where planning permission is not required. However if the work conforms to the Building Regulations there will be no infringement.

Bed-sitter tenant's notice

A person I know pays weekly rent for a bed-sitter, the payment covering the use of the kitchen for breakfast only. He has been given notice. Must he go?

While we cannot advise fully without knowing all the terms of the tenancy agreement, notice to quit, etc., it is more than likely that the tenant has the partial protection afforded by Section 102 of the Rent Act 1968 (assuming that the landlord is not a resident landlord). The tenant *should* at once *seek* advice from a solicitor or Citizen's Advice Bureau, and should not vacate unless advised that there is no Rent Act protection.

A clause to be deleted

One of my executors in a former will was a bank, but on drawing up a new will, my solicitor offered to ask two junior members of the firm to act as executors. The draft will reads "no trustee of this my will shall be liable for any loss not attributable to his own dishonesty, or to the wilful commission by him of an act known by him to be a breach of trust, and in particular he shall not be found to take proceedings against a co-trustee for any breach or alleged breach of trust committed by *such co-trustee.*" *Could you* explain this clause? Is it preferable to use the bank as executor, in conjunction with the solicitors?

We see no objection to your leaving the solicitors as executors rather than reinstating the bank. Unless your estate is very large the joining of the bank with the solicitors would make the administration of your estate very cumbrous and costly. The clause which you cite is a normal provision in the case of professional executors so far as the first limb is concerned. However, the second part of the clause is less usual and is not appropriate where both executors are solicitors. We think it would be prudent to require the deletion of that part of the clause: as it is designed to cover the case where there are professional and non-professional executors, and the latter may fail to co-operate in the administration of the estate. However, we think that professional people who accept the responsibilities of executorship ought not to seek to divest themselves of the obligation to keep a co-trustee who is also a professional person (and remunerated for his work) up to the mark.

Discoloured teeth claim

My daughter, now aged eight, received treatment for earache when around a year old. The doctor prescribed tetracycline, which has resulted in her permanent teeth being much discoloured. Have we any claim against the GP concerned, or the NHS?

Your daughter would only have a claim against the person who prescribed the drug if it can be shown that it was negligent to have prescribed that drug in the light of then current medical opinion. You would have to obtain the opinion of a consultant in the appropriate field to ascertain whether in 1969-70 such prescription would not have been proper.

A disputed valuation

I am contesting the valuation of my newly built house, but have received a rates demand based on it. Can I withhold payment of rates until the Valuation Court decision is known? If not do I have to pay the full amount? What happens if I appeal from the Valuation Court to the Lands Tribunal?

Under Section 7 (3) of the General Rate Act 1967 the rating authority is entitled to recover from you rates not exceeding the sum at which the last effective rate before your appeal was charged. If this proves to have been an overcharge by reason of the result of the appeal, the excess will be credited to you on the next rate demand after the appeal. You will see therefore that you cannot withhold the rates, but you can withhold any increase over the rates last levied before the notice of the appeal. This would apply until final determination of your appeal.

A preferential debt

I was employed by a company for six years, on a contract providing for 3 months' notice, and was given my notice on account of redundancy and worked for five weeks, when I was told to go. A receiver has been appointed. Is the balance of eight weeks' salary in lieu of notice a preferential debt.

Unless the company goes into liquidation you will be entitled to pursue your claim in full, as also the claim to any redundancy pay to which you may be entitled. You should pursue your claims at once if the company is not yet in liquidation. After the company has gone into liquidation you would be entitled to claim as a preferential debt up to £200 of your salary during the three months preceding the date of liquidation.

Word inserted in a will

In my will I left the residue of my property between two beneficiaries and later wrote in by hand the word "ultimate" between the words "two" and "beneficiaries." The solicitor and I initialled this addition but did not date it and I am told this could lead to my will being contested. Could it and, if so, what should I do, as I am living abroad?

Although a question might arise as to whether the inserted word ought to be admitted to probate or not, a negative answer would not invalidate the whole will: it would only exclude the word inserted; and that insertion seems unlikely to have any vital effect. If you are in doubt you can execute a codicil to your will (which must be properly witnessed just as the will was, but not necessarily by the same witnesses) stating that you confirm the clause in question including the MS insertion.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Insurance

IN THE PAST week, inevitably, the main subject of discussion in the insurance world has been the jury award in California to the Kween children for the death of their parents in the Turkish Air Lines crash near Paris just two years ago this week.

This compensation claim, like the other fatal claims arising out of the crash, was made not against the airline (which would have been able to rely upon its contracts of carriage to limit its financial liability) but against the manufacturers of the aircraft, McDonnell Douglas: the aircraft had depressurised on losing a cargo door, and the manufacturers had decided not to contest that they were legally liable for this.

The Californian court award amounted to some £740,000, about 15 times what the Kween children could have reasonably been expected to obtain had they brought their claim in Britain, where it is usual for judges and not juries to determine compensation disputes strictly in the light of the detailed statute and case law that has been developed for fatal accident claims.

Whatever the eventual outcome after the likely appeal, not all the award will go to the children. In most American compensation claims, the claimant's lawyers normally provide their services on a contingent fee basis: if there is no award, they get no payment, but if compensation is obtained then they take such percentage as was agreed at the outset.

The percentage is fixed having regard to the likely difficulties of the case and the probable amount of the award. Contingent fee agreements even up to 50 per cent. are not unknown. American juries always take the contingent fee system into account when determining the question "How much?" By contrast, here in Britain, in the handling of accident claims, lawyers are paid having regard to the time and work done, irrespective of success or failure, and without having regard to the amount of the compensation awarded.

Moreover, the amount of the lawyers' remuneration can be subjected to scrutiny by the appropriate court officials—there are detailed rules of court dealing with costs.

Whether or not you think that £740,000 might be the appropriate sum to award to two little girls for the death of their parents (less of course the lawyers' fees) rather than the £50,000 that might have been paid here (exclusive of legal costs), just pause for a moment and ask yourself a question. If in this country we were to have compensation awards on a scale greatly in excess of present levels, not just for aviation accidents, but for motor accidents, accidents at work, and accidents generally, where would the money come from?

JOHN PHILIP suggests that if the scale of the Californian court award to the DC 10 crash orphans were translated into general practice in the U.K., car insurance premiums might have to quadruple, and they would not be alone.

Kind hearts need deep pockets . . .

Put this question in the context of motor insurance and make some broad assumptions. Suppose the average annual "comprehensive" motor premium to be £50, and that around £35 is passed back in claims to the body corporate of motor policyholders, and of this £35, approaching 25 per cent. or nearly £9 is spent on the settlement of personal injury claims.

Suppose that overnight the level of injury compensation be increased five times, not just for the fatal claims but for all injury compensation.

You will see that insurers will need to spend not just £9 a year for each motor policy but £45—which would mean that our assumed average "comprehensive" premium of £50 would have to be more than doubled. Moreover, to accommodate a general level of damages of the scale awarded to the Kween children we should all have to pay roughly four times the amount of our present motor premiums—which would raise average "comprehensive" motor premium from £50 to £200 and the non average to an even higher level. So the answer to my question "where would the money come from?" then becomes painfully obvious—the answer is out of your pocket and mine.

But the entire impact of any increased level of injury compensation would not be so startlingly direct: there would be hidden side effects. Employer's liability premiums would have to be raised to cover the extra claims costs, and so the overheads, for example, of manufacturers and suppliers of goods and services would thereby be increased, and the cost of insurance passed on to all of us who buy those goods and services. By the same token the inevitable increase in the cost of public liability and products liability cover would be channelled back to us, the ultimate users and consumers. Coming back to motor insurance, the cost of compulsory cover to the haulier (and road hauliers carry around 80 per cent. of our goods in Britain) is an overhead which has to be paid for in every packet of cornflakes that we buy.

At the present time many people in this country are making strenuous efforts to reduce inflation to levels which would have been unacceptably high only a few years ago. Every single law reform ought at any time to be carefully assessed to determine its overall economic cost to the community balanced against the benefits of the particular reform—the more so in our present straitened economic circumstances.

So, if you feel that either Parliament or our courts should uplift the levels of injury compensation, I must ask you this question: Can you afford the price—and even if you think you can—can the rest of us? Not "ought," nor "should," but just simply—"can."

CHESS SOLUTIONS

Solution to Position No. 104. Black's defence allowed for 2 R-KR3?? QxP mate or 2 NxB?? QxQ but after 2 QxP ch! he resigned because of 2 ... KxQ; 3 R-R3 ch, K-N3 or N1; 4 NxB mate.

Solution to Problem No. 104. 1 R-KB3. If 1 .. KxR; 2 N-N5, or if NxR; 2 Q-R7, or if BxR; 2 Q-N1, or if P-K4; 2 N-N5, or if B-B7; 2 R-K2, or if N-B8; 2 R-N4.

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Taxation

The fight to keep pace with inflation

AFTER A couple of years of unconstructive fiscal upheaval, I am not looking for dramatic changes in the Budget due on April 6. We are certainly unwilling to digest further new legislation, and the Inland Revenue themselves are known to have no stomach for it. After the shambles of the Wealth Tax Select Committee, I suspect the Chancellor will be only too pleased quietly to let that idea drop.

The most urgent immediate need is to adjust the schedule of personal tax rates to take account of inflation. Mr. Healey now seems to appreciate this. The table shows the increase in gross income needed at various levels to compensate for a 25 per cent. increase in prices. The figures do not include national insurance contributions nor the possible effect of means-related social security benefits—these would intensify the "saucer shape" of the relationship and *increase* the required percentage gross rises at the lower end of the scale. This illustration clearly indicates the phenomenon of fiscal drag. At a given structure of tax rates any increase in gross pay also raises the *proportion* of the total income paid in taxation, and results in a much less than corresponding increase in net pay.

Faced with this, one of two things can happen. If one concedes that in equity the higher paid need a higher percentage increase in gross salary just to pay *their* extra taxes the point will not be widely understood by others who may think (wrongly) that they are being unfairly left out. Moreover, if wages and salaries and therefore costs have to go up by 30 per cent. because of the 20 per cent. increase in prices, either profits will be squeezed, or each round of inflation is at a higher rate than the last. We have already seen the disastrous consequences of both.

If the point is not conceded then real net salaries and living standards will be seriously eroded. Equity apart, and it is high time we re-introduced the concept of fairness into our tax system, this can only mean the country will lose the services of the very people on whom its future depends.

Although it is historically unprecedented and technically implausible for inflation to be *cured by any of the expedients* listed under the general heading of "Incomes Policy," there may be a case for a short term public relations exercise designed sharply to reduce inflationary expectations. The Government should surely be encouraged in their present policies at least until they have shown to have failed. That being so something must be done about the dilemma of fiscal drag.

One way out would be to remove the pressure for higher gross earnings by restoring net earnings by tax concessions. At executive levels, this could be achieved at relatively little (if any) immediate revenue foregone.

One would also like to see increases in the money values of the various personal allowances sufficient to keep pace with inflation. Last year's increases in personal allowances only went about half way towards maintaining their real values and therefore meant (rates apart) a material real increase in the tax burden on the lower paid.

We now have a situation where a man earning less than half the national average wage is subjected to tax and national insurance contributions at a rate of 40.5 per cent. (40.75 per cent. from April) on his marginal earnings, and where a widow with a modest investment income based on her husband's savings, is being mulcted at 50 per cent. High taxation is not merely a problem that affects the executive. The vast bulk of the working population in this country is overtaxed.

EFFECT OF INFLATION ON SALARY EARNER
(Married—Two Children)

PRESENT INCOME		REQUIRED INCOME TO MEET 25% INFLATION	
Gross	After Tax	After Tax	Gross Equivalent
2,000	1,802	2,253	2,693 (+34%)
4,000	3,102	3,877	5,193 (+30%)
6,000	4,399	5,498	8,012 (+33%)
8,000	5,492	6,866	11,199 (+40%)
10,000	6,386	7,982	14,309 (+45%)
15,000	8,129	10,162	23,504 (+57%)
20,000	9,451	11,814	33,224 (+66%)

Unfortunately when we look at the revenue cost of even restoring even the real value of personal allowances, of reducing personal tax by one percentage point or by relieving a couple of million people from taxes altogether, the figures are very large. There is nothing that can be done to restore prosperity and choice unless and until public expenditure is really brought under control—none of the paltry trimming of future expansion plans in last month's disappointing White Paper.

We are told, of course, that to match the obvious and painful reductions in our own take-home pay we should look to the "Social Wage" we are also enjoying. I have discussed this before and will also do so again. Meanwhile I would like someone to tell me where, in recent years, there has been a real improvement in the *value* (not the cost) of publicly provided services. Are our school-leavers *more literate? Have there been* material improvements in the quality of the Health Service? Are our dustbins emptied more regularly, and our post delivered more promptly? Are we better defended and are our political masters striving to defend our individual freedoms more vigorously?

So far I have dealt with *earned* incomes. There have been suggestions that, as some sort of trade-off against improvement in the taxation of earned incomes, the Chancellor might lean more heavily on savers. In particular it has been suggested that capital gains might be subject to full taxation. This would be quite unreasonable. The interaction of taxation with inflation hits the investor harder than anyone else. If he invests in fixed income securities his gross income has been inadquate to keep pace with inflation. Real returns are negative even before tax, and obscenely negative after tax which rises to a ludicrous 98 per cent. Capital gains tax of 30 per cent., making no allowance for inflation, amounts to mulcting investors of about 7 per cent. of their capital every year—a rate far higher than the highest rate of wealth tax proposed for multi-millionaires. I very much hope we shall hear no more of this proposal.

Finally the practicalities. What should the investor do by April 5? Normally he would look at his capital gains position and decide whether to "bed and breakfast" any losses. In view of what I have *just said he might alternatively* consider whether he should on the same basis actually take profits before the end of the year. Is it better to pay 30 per cent. tax on January 1, 1977 or to risk having to pay tax at a higher rate, but postponed to January 1, 1978. My personal inclination (at present) is to run profits into next year and take the risk, but this is not a firm prediction.

Next CTT. By April 5 you (and your spouse) should consider making your ration of £1,000 total gifts for the year to April 5, *1975*, as thereafter your right to do so expires. You can also, if you wish, make the gifts for the present year at the same time. You should also consider gifts of £100 per recipient. *This* entitlement is an annual entitlement with no right to carry-forward even for one year.

Finally, April 5 is the last day on which discretionary trusts can be re-organised to create interests in possession at the penalty of 10 per cent. of the normal tax. Thereafter the penalty rises to 12½ per cent. The foolish virgins who have not already taken advice on this point may well find that their solicitors already have a full workload for the rest of this month and may not be able to deal with their cases.

JOHN CHOWN

Yachting

A debate over first and fastest

ALTHOUGH Great Britain II is now securely moored in St. Katharine's Haven, near Tower Bridge, and her crew can rest assured that they have won the Patriarch Trophy for the fastest passage around the world as well as the trophies for both the legs of the Financial Times Clipper Race from London to Sydney and back, they have one dark cloud on their otherwise bright horizon—Kriter II.

The Australian ketch Anaconda II, reported yesterday to be struggling in light winds in the Bay of Biscay 600 miles from the finish at Dover, can win nothing and technically, in the terms of the rules of the race which restarted from Sydney on December 21, neither can the French crew aboard Kriter II who had to return to Sydney after loss of their rudder and who were given an unofficial restart on January 17, 27 days after the other four yachts. That will not deter the French, with Gallic patriotism, from claiming a new record not only from Sydney to London, if they can reach Dover by March 23, but also the fastest time for the full distance if they can better the British time over the last leg by more than 6½ hours, the time by which Great Britain II beat them to Sydney.

At present the French crew, led by 32-year-old Olivier de Kersauson, are struggling through the Doldrums in fog and tropical rain squalls to the north of the equator. They crossed the equator earlier in the week a full two days ahead of the time taken to this point by Great Britain. The Doldrums are one of the few areas of the world where luck can play an important part in guessing the weather. The British crew were only appreciably slowed for about a day before finding the north east trades so it is here that much will count for the French as well as the winds met when they move out of the trades and into the more northern weather pattern. GB II found winds of 60 knots off the Azores and carried fair winds right up the Channel to Dover whereas the Australians, for example, are in a less favourable weather pattern brought about by the high pressure area over the Baltic that has produced the fine weather in Britain for the past few days.

The British crew, while holding the greatest admiration for the French crew, will hardly be happy to have their recently won record snatched from them so soon after coming home. But this will not deter the heavily sponsored French yacht, backed by a fervently patriotic French Press, from blowing the French horns very loudly indeed if Kriter reaches Dover before March 23. After the finish at Sydney last November, when GB II came home mere hours ahead of Kriter II it was the handicap victory that, although considered of secondary significance by the race organisers, was the real success in French eyes. Newspaper billboards from Calais to Cannes proclaimed "France gagne le Clipper" and the ecstatic French supporters and friends in Sydney and France celebrated as though Trafalgar had been declared a draw. Dover may have shaken a little when the British crew arrived there last week, but this could be little when compared to what may happen if de Kersauson and his crew, with the honour of France at stake, better 66 days from Sydney.

Concern for the Italian yacht still remains at a low key despite her long silence, and it is still thought most likely that the trouble lies with her main radio. The radio operators of both The Great Escape and Kriter II, thought now to be in her estimated area, are keeping a special listening watch. Meanwhile shipping is also still requested to report sighting to Lloyds of London.

Anaconda's arrival at Dover, during the next day or two, may not be the end of a victorious voyage, but it is the end of a long struggle for the owner of the yacht Josko Grubic. After a near fatal fall at the launching of the yacht last year, he seemed to have all odds against him. In spite of this, he has completed the achievement of a lifetime and added his name and that of his crew to the elite list of those who have rounded Cape Horn.

ALEC BEILBY

Motoring

Well, different 't is!

BY STUART MARSHALL

KE ALL Citroëns, the CX dlias is a car you cannot feel different toward. If you are oked on the make (as I have en since first driving a Light —the kind Maigret used to ase the baddies) you may nsider it the finest Citroën t, the Maserati-engined SM ssibly excepted. And if not, u may wonder what all the ss is about. Why, in fact, the C was ever chosen Car of the ear in 1974.

It is an idosyncratic machine; development of the DS 19 that ok the motoring world by orm 21 years ago. With its adlamps that shone round rners; steering, self-levelling spension and brakes working f a central, high-pressure draulic system, it remained ead of the field in many reects when retired in favour the CX last year.

The CX, just like the DS 19, pears to have been designed r luxurious long distance avel over bad roads. In these nditions it is seen at its best. ne comfort makes you realise at Citroëns have suspensions hile most other cars make do ith mere springs. It sweeps ong winding roads, cornering ith total security and not too uch roll, and treating rough rfaces as though they were nooth as billiard tables.

The seats, trimmed in a soft oth, are superb. (A business lleague who must have read itroën's latest advertising copy urmured they were the most comfortable he had put his assets on). The brake pedal, which is no more than a valve in the high-pressure hydraulic circuit, is so low I caught my shoe under the throttle pedal when I wanted to accelerate again after braking.

All the switches, instruments and warning lights are clustered in a semi-circular housing over the single-spoke steering wheel. Everything bar choke and starter is within fingertip reach. The traffic indicators do not self-cancel—Citroën do not agree with those that do—and both speedometer and rev. counter are revolving drums, effectively lit by day but distractingly bright at night. The screenwiper has one enormous arm (why?) and leaves top corner blind spots big enough to be dangerous after a motorway trip in dirty weather.

Passenger space is generous, though six-footers will find headroom meagre in the front seats. The boot is big and square-sided so every cubic inch can be filled with cases.

The CX has much the same engine as the former "D" cars but it is mounted sideways, not fore and aft. This makes more room available inside the body and gets rid of that promontory projecting into the DS's cabin. It is a fairly old fashioned four-cylinder, of 2,175 cc capacity, developing 112 horsepower at 5,500 rpm.

While quieter than the DS, the CX does not achieve the near-silence and refinement most British buyers of cars in the £4,000 to £4,500 price class expect. The engine sounds distinctly busy when accelerating and the CX is generally noisier than, say, a Ford Granada at 70 mph. The noise level then stays fairly constant and, with 100 mph indicated, the CX sounds more relaxed than many of its rivals. Its carefully streamlined shape pays off in two ways; wind roar is minimal and fuel consumption is moderate at 23 mpg.

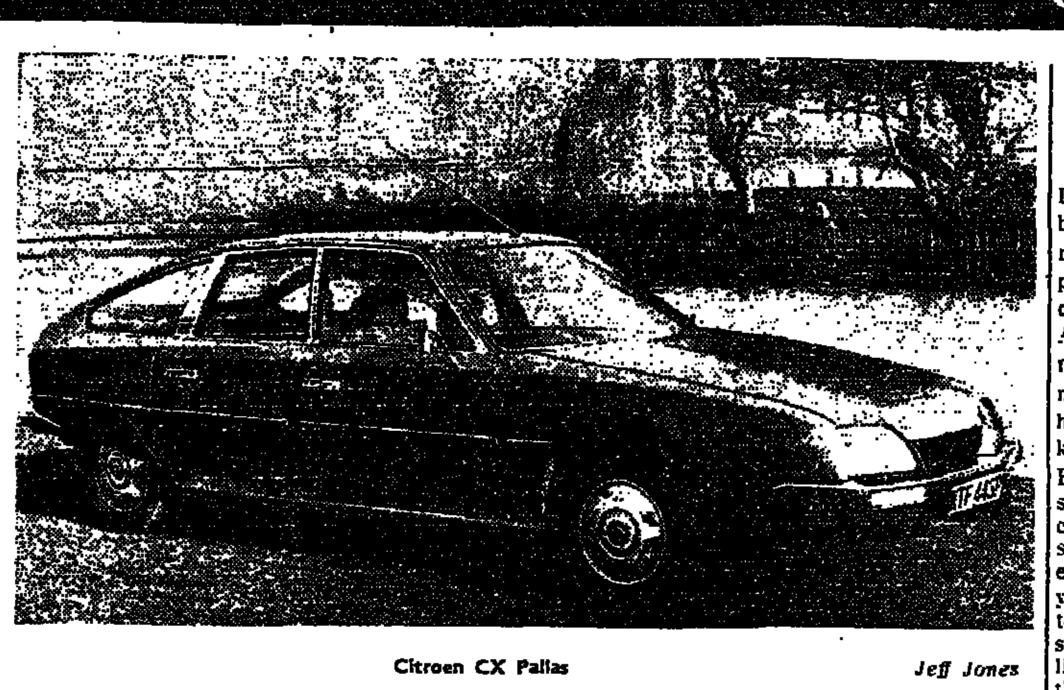
The gearbox—four speeds, not five as in the old "D" series Pallas—does not like to be rushed and the power steering, unique to Citroën, needs a lot of getting used to. It is a complicated system, sensitive to speed and the angle through which the wheels have been turned, and very high geared, with only 2¼ turns from lock to lock. After a week I was still being surprised by its sudden response at town speeds. Citroën say that once the car has been set-up for a corner you can hit a brick with the front wheels without being knocked off-course. Maybe so: I am still not sure that it is worth all the bother.

Another aspect of the CX that is off-putting at first is the footbrake, since depressing the pedal only a fraction of an inch produces immense braking power. Alongside the handbrake is another small lever which controls ride height. For crossing rough ground or fording flooded roads, the CX can be made to hitch its skirts up. Although the headlamps no longer swivel with the front wheels, their spread and penetration are worthy of a car with a maximum of more than 110 mph.

Visually, the CX is excitingly different. It looks rather like a four-door version of the now discontinued SM, and will probably seem as advanced in ten years time as it does now. The standard of finish is high and equipment includes electric front windows and a most useful map light on an extending lead.

The CX, like retsina or Punt e Mes, is an acquired taste. I think Citroën would be wise to allow serious prospective customers to drive it for several days because, at first acquaintance, its drawbacks are more apparent than its advantages. If you do buy one, beware of car washes. When I put the test CX through my local car wash, it smartly removed yards of bright trim from the roof gutters, happily without scarring the paintwork.

The Pallas costs £4,361. Optional extras include leather upholstery (£300) and air conditioning (£449).



Citroen CX Pallas — Jeff Jones

Golf

Ready for the big day

Arguments have raged around Turnberry's Ailsa course, which has to be in peak condition for the Open in the summer of 1977. BEN WRIGHT examines the issues, and casts doubts upon the doubters

IN THE past, grim forebodings have often been expressed some months before the Open Championship about the parlous condition of the chosen venue. Almost always the course of nature, aided and abetted by much hard and generally unheralded labour by the greenskeeping staff, has saved the day. But the mindless assault by some of my golf writing colleagues on Turnberry last spring was unique in my experience, at least in its effect. Two years before the Open was due to be played at this glorious strip of Ayrshire golfing coastline for the first time in 1977, the championship committee of the R and A saw fit to issue a statement categorically denying publicly expressed rumours that the event was to be moved elsewhere.

The fact that a sophisticated plan devised by Jim Arthur, consultant agronomist to the committee, to bring the Ailsa course up to optimum condition by July, 1977, had been implemented in November, 1974, was conveniently ignored when Turnberry was found to be in poor condition for the match between Scotland and Belgium's amateurs in mid-April, 1975.

Throughout last year's abnormally dry summer, the condition of the course worsened rather than improved, largely because it was displaying withdrawal symptoms. It has been agreed by all the parties concerned that the greens had become too soft and too slow. Much coarse meadowgrass was appearing on the fairways so the use of inorganic chemicals was drastically reduced, and then discontinued altogether, with the result that the poor grass in question withered and started to die.

By contrast, the periodic aeration and thinning of the course to a depth of eight inches, and continual scarification during the growing season, had prepared the course for treatment by organic dressings, topsoil, fen peat, sand and compost prepared to a secret recipe. But in 1975, when the automatic watering system was installed to enable trees, greens and their southern approaches to be irrigated other than by hand and hose pipe, it was too early to see any visible improvement, so that the ignorant knocking campaign gathered strength until the championship committee was virtually forced to express a vote of confidence in Turnberry.

All this time, greenkeeper Jimmy McCubbin, born at nearby Maybole 60 years ago—37 of them spent on the Turnberry Hotel staff—maintained what many took to be an ignorant silence on the subject. The fact that he had been ordered to remain that way at meetings when asked a direct question, and looked for guidance from a superior in the form of a nodded yea or nay before answering, is strangely typical. So often expert men of the soil are treated like this.

But this January Mr. McCubbin formally took charge of the 11-strong greenskeeping staff, and as I saw last week-end their months of Herculean effort are finally bearing fruit. Turnberry's verdant condition is so improved against all the odds—weather-wise and otherwise — as to be easily distinguishable from last summer.

The major structural changes to the course have been carried out, namely the building of six new championship tees. But so much more has also been accomplished. Tons of turf, much of it from the practice ground and the practice putting greens — the latter will be the site of the new club house extension—have been used to patch the worst hit areas. Perhaps the most impressive aspect of the exercise, however, has been the creation of new bunkers and the enlargement of others.

At the first hole the tee has been moved to the right to create more of a dog leg and tighten up the hole. But more significantly the big bunker in front of the green has been enlarged to its left. The trough in the middle of the third fairway that so conveniently gathered the ball towards the green has been filled in, and a tremendous job has been done on the huge right-hand bunker at the par three fourth hole, which used to be more of an untidy sand pit.

A new forward tee at the fifth hole has cut it from an easy 482 yards par five to a testing par four, especially by the creation of a devilish pot bunker guarding the sympathetic approach to the left side of the green. The par three sixth hole, which used to be nearly 250 yards long and whose green was frequently inaccessible even to the world's best players wielding a driver, has been cut to around 190 yards. On the other hand another pot bunker placed beside the green is a masterpiece of potential torture.

Two bunkers to the right of the fairway at the par five seventh hole have done much to tighten up the drive, while the existing trap to the left has been greatly extended in the shape of a horse shoe, which, amongst other things, prevents sand being blown out. A new crescent-shaped tee to the right of those existing at the eighth hole has straightened it and brought the fairway bunkers to the right more into play, although this is the one fairway that continues to give cause for concern.

The new 13th tee placed behind the ninth green has added 35 yards to a rather undistinguished hole, while the par three 15th has been shortened by 20 yards and marvellously improved by a new pot bunker to the front and right of the green.

In a nutshell, Turnberry can seldom have looked healthier at this time of year. The knockers, though, are still not satisfied. Now they are saying that because several holes have been shortened rather than lengthened, the world's best will tear the Ailsa course to pieces in 16 months' time. I doubt it.

Stamps

Thank-you letters to Mr. Bell

AYING A rare compliment to rival form of communication, many of the world's postal administrations are issuing stamps in the next week or so to celebrate the centenary of the first telephone transmission. The stamps are also a tribute to the genius of the Scottish physicist and educationist, Alexander Graham Bell.

Bell made his philatelic debut in 1941 when he was portrayed on a stamp in the inventors series of the U.S. Three years later Argentina featured him on a stamp in the Postmen's benefit series and in 1947 the centenary of his birth was celebrated by a Canadian stamp.

Relatively few of the stamps now being issued bear his portrait. Switzerland's 80c stamp shows the original Bell telephone and a modern instrument, though Bell and his famous first words to Mr. Watson are shown on the First Day cover. The theme of telephones old and new is used for the Rhodesian 3c stamp, but the 14c bears Bell's portrait. The

More on Mr. Bell and his invention, Page 13

same portrait, accompanied by the 1878 telephone, appears on Monaco's 80c stamp. Telephones of the turn of the century and the present day, together with a circuit diagram, are the subject of Sweden's Kr.3.40 stamp. France is to release a stamp in April or May and details have not yet been announced, although the French Post Office in Andorra is issuing a Fr.1 stamp showing a modern handset and a telecommunications satellite.

Nigeria is issuing a set of three stamps on March 10 and Kuwait and India are releasing single stamps on the same day.

Two issues actually show Bell using early telephones with their separate transmitter and receiver. Australia's 18 cent stamp, designed by Robert Ingpen, show Bell using the type of 1878 known popularly as a William's Coffin.

Ireland's 15p stamp, designed by Robert Ballagh, is based on a contemporary artist's impression of Bell making the first telephone transmission.

Malawi's set of four stamps, to be issued on March 24, has a common design, bearing a portrait of Bell. The accompanying miniature sheet incorporates a drawing of the first Boston telephone of 1876.

Probably the most original motif is that which has been chosen for the 13 cent stamp released next Wednesday by the U.S. The design by George Tscherny, shows a schematic drawing of Bell's telephone which was filed with his patent applications.

Britain's contribution to the centenary celebrations is a set of four designed by Philip Sharland and highlighting the importance of the telephone to the community. The four everyday situations are a housewife having a cosy chat (8½p), a policeman dealing with an emergency call (10p), a district nurse making a social welfare call (11p) and an industrialist at work (13p). The nice balance of two male and two female subjects is presumably a sign of the times.

JAMES MACKAY

Chess

Miles pushes on

ONY MILES, Britain's first andmaster, has a testing time is week and next when he eets the leading U.S. players the National Open in Las gas and Russia's former world ampions Petrosian and Smyslov the $21,000 all-master Lone he tournament in California. les is still a long way from ambition to challenge the gning world champion Anatoly rpov, but an analysis of his ent results and his attainment the GM title at age 20 shows n in distinguished company.

Officially, Miles becomes a andmaster when his new title formally ratified by the International Chess Federation IDE) at its next meeting in tober. Only three players have come FIDE-ratified grandsters before the age of 20: bby Fischer at 15, Boris assky at 18, and Karpov at

The 20-year-olds have been nno, Mecking, Tal, Vahanian, l Ljubojevic, of whom all bar nanian were or are world title tenders (in Tal's case world mpion).

The nine others besides Miles had their FIDE grandmaster rd confirmed at age 21 lude Hubner and Larsen, who e played in the world chamship candidates eliminators, Hort, Andersson and Belyky who could all easily do so ore long.

Judged on the quality of their lts, Alekhine, Keres and Smyslov would have been FIDE grandmasters at 20, and Morphy and Fine at 21. Of course few of these players had the advantage of playing international chess in their teens like to-day's grandmasters, while Capablanca, for instance, though not scoring the equivalent of a modern GM norm until 23, was clearly a strong grandmaster by the time of his match with Marshall at age 21.

Tony Miles ranks a modest No. 70 in the recently issued FIDE list which assesses play in the period up to October 1975. But Miles has forged ahead in recent months starting with his first prize in London last August, and his international results since then are equivalent to a place in the world's top 35, with a British rating over his last 70-odd games of 243, or 2,545 on the international scale. And it is interesting to note that even Karpov's performances were only around this level when he was 20.

It will be two years before Miles can aim for a place in the world championship interzonal and candidates in the series which begins in 1978. It won't be easy, and Miles has yet to win a game against the magic circle of the dozen super-grandmasters with FIDE ratings above 2,600. As an example of how effective he is against ordinary masters, here is an unpretentious but sure-footed win from last year's Birmingham international against the then reigning British champion.

White: A. J. Miles. Black: G. S. Botterill. Opening: 1 P-KN3 (Birmingham 1975).

The opening moves were 1 P-KN3 (Miles rarely tries for a quick kill in the opening and likes this move which often leads to a middle game with few piece exchanges), P-K4; 2 B-N2, N-QB3; 3 P-QB4, N-B3; 4 P-Q3, B-N5 ch; 5 B-Q2, P-QR4; 6 N-QB3, 0-0; 7 N-B3, R-K1; 8 0-0, P-R3; 9 R-B1, BxN; 10 BxB, P-Q4; 11 PxP, NxP; 12 Q-R4!

Black's plan is to occupy the centre in classical style while restraining White's queen's side pawns; the drawback is weakness on the light squares which Miles now probes with queen and minor pieces.

12 . . . Q-Q3; 13 N-Q2, N-N3; 14 Q-N5, B-Q2; 15 N-B4, NxN; 16 QxN (B4), B-K3; 17 Q-N5, N-Q5? (better B-Q2); 18 BxN, PxB; 19 R-B2, P-R5; 20 BxP!

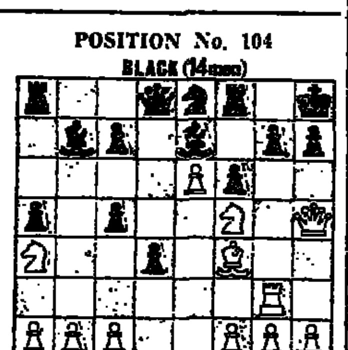
Accurate calculation. If now 20 . . . KR-N1; 21 KR-B1 threatens 22 RxP.

20 . . . QR-N1; 21 QxP! BxP; 22 R(1)-B1, B-Q4; 23 BxB, QxB; 24 R-B5, Q-K3; 25 R(1)-B2. After the complications, White wins a second pawn and the game.

25 . . . R-R1; 26 QxP, R-R8 ch; 27 K-N2, Q-R7; 28 Q-Q7, Q-R1 ch; 29 Q-B6. Resigns. A win typical of Miles's practical style and accuracy in calculation.

POSITION No. 104

BLACK (14 men)

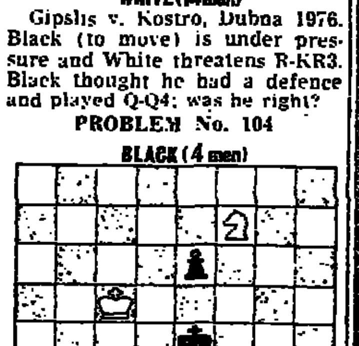


WHITE (14 men)

Gipslis v. Kostro, Dubna 1976. Black (to move) is under pressure and White threatens R-KR3. Black thought he had a defence and played Q-Q4; was he right?

PROBLEM No. 104

BLACK (4 men)



WHITE (6 men)

White mates in two moves, against any defence (by Sam Loyd, "Spirit of the Times," 1887).

Solutions Page 4

LEONARD BARDEN

Bridge

Lessons for the Lords

E SECOND Lords versus mmons match, efficiently ged at the Coq d'Or restaut, was a great success. The mmons were expected to nge their defeat in last r's match, and they did so, they caused their supporters little anxiety by a shaky start the very first hand. The ds had bid and made six rts in one room, while the mmons in the other room pped at five hearts, and went down due to some mental rration.

ust before lunch, the following deal occurred:

N.
♠ A 5 4 2
♡ J 10
◇ 7 5 4
♣ A K 7 4

W.
[illegible]
[illegible] 8
8 6 3 2
J 9 5 3

E.
♠ 7
♡ 9 8 7 6 5 4
◇ Q 10 9
♣ 10 6 2

S.
♠ K Q J 9 8 3
♡ A Q 3 2
◇ A K
♣ 6

This was bid to a small slam in spades in both rooms. There is nothing to the play of the hand, but in the room in which I was watching the South player might have been more selective in his use of the Blackwood convention.

After North, the dealer, had opened the bidding with one club, it was clear that a slam was more than probable, so South rightly forced with two spades. After a raise to three spades he introduced a Blackwood four no trumps, which was correct, but after North's response of five hearts he bid five no trumps, which was a mistake. He found out that his partner had one King, but he did not know which King. He should have bid six hearts over five hearts. With the small slam implicit, this is clearly a grand slam try, asking partner to bid seven spades if he has second-round heart control, preferably the King, or a singleton if he has enough trumps.

Another interesting deal was this:

N.
♠ A J 5
♡ A Q 9
◇ A 4 3
♣ 10 5 4 2

W.
♠ K Q 10 9 8 3 2
♡ 5 4
◇ 10 6 5
♣ K

E.
♠ 7 6 4
♡ 7 6 3
◇ J 2
♣ A J 9 8 7

S.
♠ —
♡ K J 10 8 2
◇ K Q 9 8 7
♣ Q 6 3

In both rooms South played in a final contract of four hearts, making eleven tricks. In my room East doubled for no very good reason. As South had opened the bidding, I was surprised that North did not redouble. A rescue into spades would have cost 800.

With good breaks in both red suits, there was no problem in the play, but I thought I saw the possibility of making twelve tricks.

After one heart by South, the West player pre-empted with three spades. North raised to four hearts, and all passed. West leads the spade King, which dummy ducks, and we ruff in hand. We draw three rounds of trumps, and then cash three rounds of diamonds. At this stage we have a count of West's hand. We know he had two hearts and three diamonds, and from his pre-emptive bid we place him with seven spades. In that case he has only one club, and if that is either the Ace or the King, we will catch him in an endplay.

So we lead a club which he has to take, and now he must lead into the spade tenace on the table. It does not help East to overtake the King with his Ace, because he is then end-played, and can choose whether to lead a spade, or a club into the declarer's split tenace.

The result of the match was a win for the Commons by some two thousand points, which gave them the Guardian Trophy to hold for one year.

E. P. C. COTTER

Travel

So near and yet so far

BY PAUL MARTIN

The Vieux Bassin at Honfleur, Normandy

MOUNTAINEERS have felt impelled to climb Everest for the simple reason that it is there and, in a much more leisurely frame of mind, I need only a gentle nudge to go over fairly often to those areas of France that are both near at hand and easy of access.

We in Britain have long indulged in a love-hate relationship with our nearest cross-Channel neighbours and, although a great many excellent package arrangements exist, I still prefer the instant France that you encounter on an independent off-season break that really does not require much pre-planning. The car-ferries are not that full and you can take a spur-of-the-moment decision to pop across the Channel for two or three days.

In what is now a highly competitive market, car-ferries get bigger and more luxurious each year and I enjoyed a comfortable night's sleep on the Townsend Thoresen Viking Venturer, sailing out in the late evening from Southampton and tying up early next morning at Le Havre. After breakfast on board and with the minimum of formalities, it was still not fully light as I drove over the impressive Tancarville Bridge before stopping off in Honfleur by about 9 a.m.

Honfleur is one of those delightfully timeless French ports which functions throughout the year and makes no claim to being a seaside resort. It does not bask in a brief moment of passing summer glory with a short fashionable season but goes about its day-to-day business in a relaxed and somewhat somnolent way.

The heart of the town is concentrated around the Vieux Bassin, the inner harbour providing access to the open sea, with an old city gate marked by the Lieutenance, the original seat of the King's Lieutenant in the days of the monarchy. If one saw it in a film, one might justifiably accuse the designer of gilding the lily but it is real enough.

Although I had visited Honfleur before, I had never seen the landing beaches and, without planning the route in great detail, I wanted to push along that far before returning to Le Havre after covering a broad Norman loop.

The twin resorts of Trouville and Deauville are only about nine miles from Honfleur along a mini-corniche road with a pretty indifferent surface. They, after a brief and brilliant butterfly-like season, wear a closed and shuttered winter look.

I continued along the coast road before coming across the first of countless reminders of the events of over 30 years ago. It was near Ranville that the parachutists dropped down over Pegasus Bridge and, once across the Orne, a series of memorials recalls the events of June 1944. Colleville has added to its own name that of Montgomery while Courseulles-sur-Mer is still Juno Beach in the memory of many.

On a bitterly cold but brilliant winter's day, I climbed a mound set high above the bay at Arromanches-les-Bains. There a ground plan of the beaches, detailing where the different units landed, is carved onto a huge semi-circular stone table while, out in the bay, you can still see the remains of the massive artificial Mulberry Harbour.

The Musée du Débarquement, set at the edge of the now deserted beaches, records France's gratitude to the forces of liberation and a brilliantly imaginative diorama, with commentaries in all major European languages, recreates the story of D-Day. The museum is open daily throughout the year but, predictably in civilised France, everything does close for lunch.

We had originally planned to drive further along the coast but the weather broke and with no set itinerary, we moved inland to Bayeux with no problems in finding what the French would call a "very modest" hotel. Modest it was but, as long as a place is clean and warm and the beds are comfortable.

Come to think of it, we have had our problems with this part of France over the centuries and a morning in Bayeux gave me a first chance to see the legendary tapestry. In the sequence of over 50 panels, well-illuminated and with an excellent sound guide commentary which amplifies the picture story, that old, old battle really comes to life with welcome and unexpected touches of humour to bridge the intervening 900 years.

Bayeux has not a wide choice of restaurants but we had an excellent lunch at La Normandie, where half-a-dozen oysters were included on a 5-course menu at £3.75.

My final destination, before crossing the Seine by ferry at Caudebec-en-Caux and turning back towards Le Havre, was Lisieux, to-day a centre of pilgrimage where St. Thérèse is buried in the Carmelite monastery. She died in 1897 at the age of 24.

Lisieux has the magnificent Cathedral of St. Pierre but I found the massive and ornate Basilica, set high above the town and only completed and consecrated some 20 years ago, frankly overpowering.

With the increasing popularity of short off-season breaks, Townsend Thoresen and Sealink offer different permutations which enable you to take advantage of all-in prices while still retaining the freedom to go over and sample your own little bit of instant France.

Further information: French Government Tourist Office, 178, Piccadilly, London W1V 0AL. Normandy Ferries, Arundel Towers, Portland Terrace, Southampton S09 4AE. Sealink Travel, Inclusive Tours Section, Victoria Station, London SW1V 1JX. Townsend Thoresen, 127, Regent Street, London W1R 8LB.

Your week-end £: Austria 36.5, Belgium 89.25, France 8.97, Italy 1,615, Greece 71, Spain 131.5, Switzerland 5.14, U.S. 1.982. Source: Thomas Cook.

Cut price quandary

BRITAIN'S travel industry is among the businesses which have to tell the Office of Fair Trading soon whether or not it wants to continue price fixing. It is now clear that travel agents at least will give the Office of Fair Trading a firm "Yes." A confidential document prepared for the powerful Travel Agents' Study Council (the Co-op, Lunn Poly, Frames and Grace are among the members) says clearly that travel retailing as it is now known would be disrupted by price freedom.

The travel agents see a time when supermarkets and bookshops would move into their business using holidays as loss leaders. Soon, the report suggests, there would be fewer places to buy travel, and fewer experts to give advice.

Already there are signs of some price cutting, either in the form of "price guarantees" which discount inflation, or direct "£5-off" offers on some slow selling lines. The retailers are frightened that big travel groups will go direct to the public if they can make cut price offers, and that the same thing would happen to travel retailers as once happened to the corner grocery store.

At the moment in Britain travel is concentrated in the hands of member companies of the Association of British Travel Agents.

It has been suggested that the Government should licence agents, be they members of ABTA or not, and run a giant insurance scheme. So, getting discount travel may involve a rescue fund surcharge.

ARTHUR SANDLES

Gardening

Flower books for connoisseurs

BY A. G. L. HELLYER

SOME OF the side effects of inflation are, to me at least, surprising and not unwelcome. Who would have predicted, for example, that it would cause a resurrection of a type of luxury book production that had seemed to be virtually obsolete? But as my colleague, Robin Lane Fox, pointed out some months ago there is a flourishing market in old garden books, especially first editions of the really great works of the past and since there is not sufficient of these to meet the demand several publishers have started to produce limited editions of new books of the highest quality. The objective in both cases is the same — to invest money in something that is unlikely to decline in value and may very well appreciate.

The first that caught my attention, and indeed captured my money, was in fact a facsimile reprint of one of the best loved of all the old flower books, P. J. Redouté's "Les Roses." This was originally published between 1817 and 1824 in 30 parts which bound into three volumes. The reprint was undertaken by De Shutter S.A. of Antwerp and for the purpose they used one of the best copies available, owned by the Arboretum of Kalmthout, Belgium and bearing an autograph on the half-title page by Redouté saying that it was one of the earliest and also one of the best. It is said that the colour plates in this set were touched up by Redouté himself.

To these three volumes, which contain 170 colour plates with descriptions by C. A. Thory, the publishers added a fourth containing a biography of Redouté, a bibliography of his work and a note on Thory by Prof. Dr. André Lawalrée; commentaries by the Baronne de la Roche, on the classification and naming of roses and the evolution and preservation of old garden roses and an introduction by Sir George Taylor. The price of the four volumes was fixed at 80,000 Belgian francs, the first volume was delivered over a year ago and certainly lived up to expectations. The second has not yet arrived though it was scheduled for last December, but I understand that the delay has been caused by ill health of the publisher, that it will be despatched shortly and that the four volumes should be complete by December next as originally planned.

Now the Basilisk Press of London have completed what is in some ways a more exciting, because a more original work. It has just produced a huge book which contains 25 previously unpublished plates by the botanical artist Ferdinand Bauer with accompanying botanical text by Dr. William T. Stearn of the British Museum, Natural History Department, and an introduction by Wilfred Blunt.

It is unlikely that Brauer's name will instantly register with most readers since, though he produced a great deal of work and is considered by some experts to be perhaps the greatest of all botanical artists, surprisingly little of his work has been published.

Ferdinand Bauer was born in Austria in the mid-eighteenth century and both he and his brother Francis become highly accomplished artists. Ferdinand attracted the attention of John Sibthorp, an eminent British botanist who, in 1786 took him on a two-year expedition to Greece and the Levant. Years later the drawings he made on that journey were published in the Flora Graeca. They are said to be very fine, but I cannot speak from experience since I have never seen them. This is not surprising since only 26 copies of the 10 folio volumes were printed and each set is now said to be worth at least £10,000.

Cymbidium suave

In 1801, five years before the appearance of Flora Graeca, Bauer was chosen by Sir Joseph Banks to sail with Mathew Flinders as botanical artist on the first circumnavigation of Australia designed among other things to establish once and for all whether west and east Australia were part of one large continent or belonged to two smaller areas of land.

The botanist on this occasion was Robert Brown, then 28 years old and rapidly making his name as a man of great perception and originality. Apparently he taught Bauer to see and record details that would otherwise have escaped him, some too small to be seen with the naked eye, such as pollen grains.

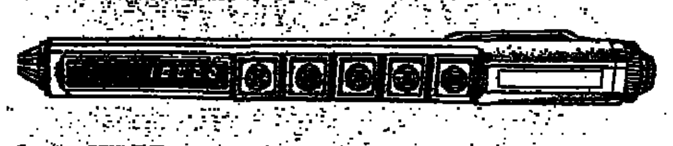
This was a remarkable piece of percipience on Brown's part since it is only in recent years, and that largely due to the enormously increased magnification produced by electron microscopes, that the importance of pollen grains in plant classification has been fully recognised.

But what distinguished the work of both the Bauer brothers was that it was not only accurate and detailed but beautiful. One does not need to be a botanist to appreciate it, though clearly a botanist will see in it things that would mean little to the ordinary viewer.

Only 15 of Ferdinand Bauer's Australian plates were published and this venture was apparently a failure. So the bulk of his work is still locked up in museums and botanical libraries unseen except by specialists. It is the British Museum which has made available the 25 plates now published and the printers, Lund Humphries of Bradford, have made a splendid job of reproducing them. As with all Basilisk Press books only ... copies are available for sale and all plates are destroyed after printing has been completed.

The prices of this sumpt... volume is £420.

How to spend it by Lucia van der Post



THE PEN ULTIMATE . . .

CALCULATORS have been such a prominent executive toy for so long that I thought there was little more they could do with them. First they were so expensive that only the elite could afford them, then they became cheaper so that every executive could have one if he needed one and then they became slimmer and slimmer so that I thought all possibilities were exhausted. I was wrong. Two more versions of the calculator are now on the market.

Etcetera, ever first with the latest, are very excited about the Calcu Pen which, as its name suggests, is a combination of pen and calculator. You need to have taken a degree in instruction booklets to have the stamina to get through this one but, should you do so, you will be rewarded with understanding how to operate the latest thing in the calculator market.

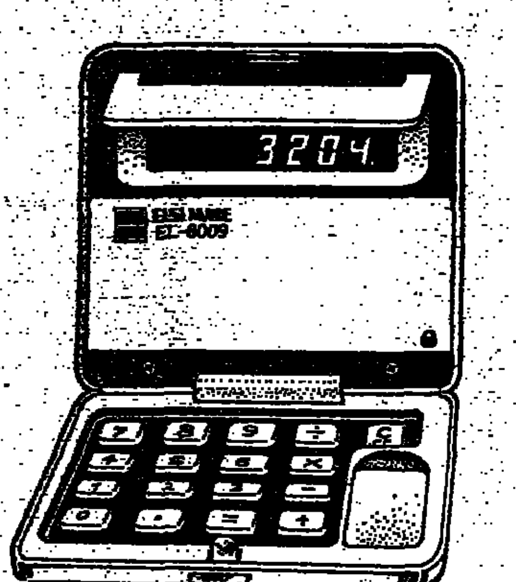
Not having such stamina, I haven't read every word, but the calculator part of the pen (the pen part is, needless to say, of secondary importance and is an ordinary ball-point) begins to operate once a switch at the bottom of the pen is turned.

Because the key operational section has had to be fitted into a relatively narrow space, the width of a pen, though admittedly a slightly wider than usual pen, each key has four pressure points covering a different number or sign. The indicator window is alongside.

I should think almost every schoolboy would be prepared to take on a newspaper round to have one of these, but at £49.95 it will take some saving-up for. More affluent executives might like one, too, and they can always tell themselves that, fitting into a top-pocket as it does, it is really an essential practical tool of everyday business.

It is available from Etcetera, of 47, Golders Green Road, London, NW11 8EL, who will also send by post for 50p extra

. . THE COMPACT CALCULATOR



Drawings: Frank Wheeler

THE SECOND new calculator is the slimmest and the most elegant that I have yet seen. It measures 3¼" by 2¼" and looks rather like a slim powder compact, folding together with a powder compact's mechanism. It would fit easily and neatly into any suit pocket.

It is, according to Heritage Club, who are selling it, the first of the Liquid Quartz calculators and it runs on tiny batteries, rather like the ones used for hearing-aids. It seems to me exceedingly simple to use and it has nearly all the functions of many much larger calculators—it has multiplication, division, addition, subtraction, overflow error check device, reciprocal calculation and so on.

When folded up the top looks rather elegant as it is finished in red or brown (to choice) leather and Heritage Club will print names or initials in silver on the leather. Up to 10 letters are included in the cost of £29.60. Delivery takes about 10 days. Write to Heritage Club, 407, Holloway Road, London, N7 6HJ, who will only sell the calculator by mail.

One of the most exciting developments in fabrics that I've come across in a long time is the new Alcantara, a wonderfully soft, man-made fabric that looks almost exactly like suede and yet is completely washable, even machine-washable.

Until now suede has been a luxury material, made even more beyond the reach of most of us because it is difficult, not to say expensive, to keep it looking pristine. With the new Alcantara no such problems exist—the palest colours become possible and indeed the silver grey is to my mind one of the most attractive of the colours it comes in.

Strelitz, the fashion firm, are bringing out a complete collection of clothes made from Alcantara, including the dress in our photograph, above. Made up in the soft silver grey (though of course it does come in other colours like mustard and navy) the dress, above, costs £85 and comes in sizes 10 to 16. Simpsons of Piccadilly will have it from mid-April. Crofts of Harrogate have some of the collection already. Apart from this dress there is a lovely supple tube dress, a snappy shirt and matching bolero, a chic plain shirt-waister and a safari suit.

If you're interested in any of these clothes write to Strelitz, Liberty House, 222 Regent Street, London, W.1 for further details of styles, prices and stockists.

For those of you who will be following Agnes Kinnersley's advice of last week and taking to their sewing machines, I haven't, alas, been able to track Alcantara down in the shops. Harrods of Knightsbridge sell what seems to be the nearest equivalent on the market. Their man-made "suede" goes by the name of Novosham and it, too, is totally washable, including machine-washable, and it sells for £10 per metre, 70cm wide. It is available in light and dark green, blue, red, black, neutral, grey and "almost white."

CHEAP CHIC

ADMIRERS of Gordon L. Clarke's designs and other Medina clothes might like to know that a tiny little shop at 102, Draycott Avenue, London, S.W.3, has been turned into a permanent mecca for those in search of real bargains. Something from almost all the usual Medina ranges will eventually find their way there. The idea is that Medina On Sale, as the shop is called, will sell out-of-season stock, like last summer's Mic-Mac designs, Mohanjeet, Carroll Knits, Brosseau hats, and so on.

Apart from helping those who like to be chic to buy at lower prices (provided they don't mind wearing last year's as opposed to this year's latest thing), it should also help those who are lucky enough to go to hot places at unseasonable times of the year. Medina On Sale should nearly always be able to offer a good stock of end-of-range summer clothes.

SHIRT CUTS

FOR ANYBODY who is very busy (and I don't know anybody who isn't any more) Prestige Shirts of 3, Kingly Street, London, W1R 5LF, offers a service that could be a boon for those who live or work in or near London.

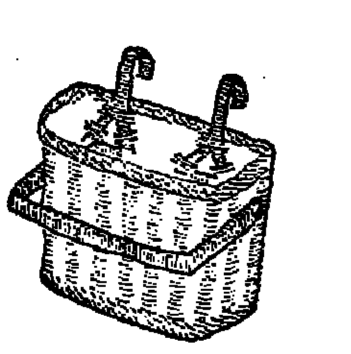
What they offer is made-to-measure shirts without the bother of having to travel to be measured—they come to you. Somebody calls, by appointment, at either the house or the office and measures up the customer. He brings with him hundreds of patterns of cotton, mixtures, silk and man-made fibres, in plains, checks, stripes, patterns, from which the customer chooses the fabric he wants. They also offer a selection of collar styles, cuffs and fronts and those who like embroidered monograms may have them.

The price of the shirt obviously varies depending on the fabric used but they start at £8.50, including VAT. Contact Prestige Shirts at the above address or by telephone 01-439 6666.

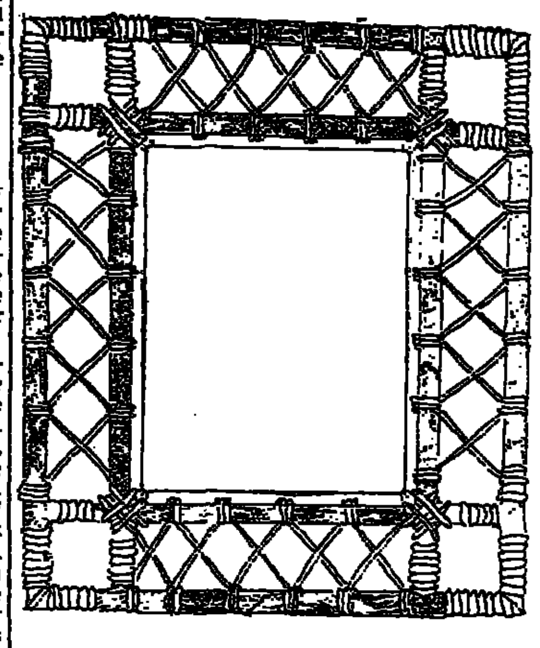
THE BAMBOO BOOM

JUDGING by the current vogue for cane and rattan furniture, which stares out of every magazine and many television series, there must be a similar demand for bamboo accessories. After all, they have much the same look as the furniture—they look light, delicate, rustic and very unpretentious. Cucina have clearly gone a bundle on bamboo this year and their shop is full of Eastern looking things.

For those who haven't very much to spend they have some particularly attractive hangers made in the Philippines of bamboo and the guest, the skirt and the S-shaped hanger all cost 75p each (20p p+p), whilst the trousers hanger which has four cross bars costs £2.79 (36p p+p). They are very much prettier than those ubiquitous wire hangers and would make a charming small present.



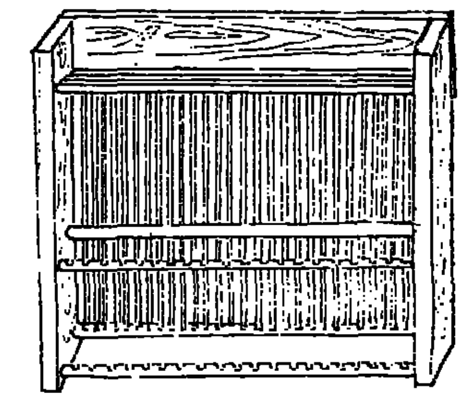
Rattan bicycle basket, above, has handlebar hooks as well as carrying handle for pedestrian use. There are four sizes, starting at 9½ in. wide by 7 in. by 5½ in. for £2.42 and going up to 14½ in. wide by 9½ in. by 9 in. for £3.92 45p p+p extra.



Other items include delicate mirrors—this rectangular one measures 28 in. by 23½ in., and the rectangle of mirror is surrounded by some very attractive bamboo work, £19.85. An oval mirror, less ornate, measuring 24 in. by 14½ in. is £13.73. Cucina usually post most things but regret that, for obvious reasons, they can't send the mirrors by post.

PLAIN PINE

I have a personal antipathy to plastic draining racks so if I needed one, which I don't, I would buy Cucina's nice plain pine plate rack which will take 24 large plates, 24 small plates, as well as plenty of glasses and mugs. It arrives complete with wall mountings and can be varnished, painted or left plain. It measures 21½ in. wide by 22½ in. tall by 7 in. deep. It is £15.12 and could be sent BRS.



For those who are still without their cane or rattan furniture it is worth visiting Cucina who have some new dark bamboo and cane furniture in from Malta. They have two shops, one at 8, Englands Lane, London, N.W.3 and the other at 4a, Ledbroke Grove, London, W.11. For those who live out of London they have a comprehensive mail order leaflet.

HOUSE PROUD

NOW I know that lots of people, like Fleur Cowles and other famous names, have not the slightest trouble in picking up their needles and producing their own highly individual and very artistic tapestry pictures. Most of us, however, are not so gifted, so the service that Mrs. Theo Flower is offering could be of interest to many readers, particularly those who live in houses that are either very pretty or they are very fond of or both.

Mrs. Theo Flower, of The Yews, Penshurst, Tonbridge, Kent, designed and made the tapestry chair seat cover photographed left. She has transferred to canvas and wool a picture of her own house and done it very charmingly, reproducing carefully the gentle English colours of her very English house and setting. She has used this canvas as a seat for an antique nursing chair, but the one she did for her daughter has been used to cover a Bergere armchair.

For those who would like such a personalised reminder of their house, Mrs. Flower is prepared to take on commissions of this sort and would charge a fee of £50, plus the expenses of one visit to see the house. Given the amount of patient sewing involved, quite apart from the skill required to transfer to canvas a realistic picture of a house, it seems to me little enough.

Any interested readers should contact Mrs. Flower at the address above and, preferably, send a photograph if you have one.

TRADITIONAL BRITISH PUDDINGS

BY PHILIPPA DAVENPORT

Bill Hamilton

...RCH is an unpredictable ...th so I prefer to treat it as ...ntry month and indulge in ... cosy warmth of nursery ...gs: hot water bottles, vests —best of all—proper puddings.

...ur steamed and baked puddings are rich in eggs, milk, ...m, suet and flour with lashings of jam, treacle or chocolate. ...y are generous, reassuringly ...ar, as warming as a cashmere sweater and, if properly ...ed, can be a gastronomic ...—even the French acknowledge our unrivalled excellence in this field.

...ere mention of spotted dick, treacle tart, guards' pudding, Bakewell tart or bread, butter and banana pudding is enough to make most men drool but here ... the four favourites of my family—all so popular that there's usually a squabble to see who gets the last mouthful.

ASCOT PUDDING
SERVES 4-6

This recipe combines two guaranteed winners — meringue and chocolate. The result is very delicious and full of nostalgic memories for me: it was served at my convent school to celebrate holidays and holy days.

¼ lb butter, 6 oz. castor sugar, 2 eggs, 6 oz. plain flour, 4 tablespoons cocoa powder, ½ teaspoon cream of tartar, ½ teaspoon bicarbonate of soda, 6-8 tablespoons milk, a generous ½ pt. chocolate sauce.

Beat the butter and ¼ lb sugar until creamy, then beat in the egg yolks one at a time. Mix the dry ingredients together and sift them. Fold half the dry mixture into the creamed butter and egg mixture. Stir in 4 tablespoons milk, fold in the remaining dry mixture and finally stir in a little more milk as necessary. Pour into a buttered pie dish. Use a spoon to spread the mixture so that the centre of the pudding is slightly concave. Bake at 350F, gas mark 4, for 1½ hours. Then pour the chocolate sauce on top of the pudding and cover with meringue mixture made from remaining sugar and egg whites. Reduce oven to 275F, gas mark 1, and continue cooking for 30 minutes or until meringue is just set. Serve with thin cream, flavoured with a little rum if liked.

TREACLE SPONGE
SERVES 4

A firm favourite among devotees of steamed puddings—sticky, rich and sweet but tempered with the sharpness of lemon.

Golden syrup, 1 large lemon, 3 oz butter, 1 tablespoon castor sugar, 2 eggs, ¼ lb self raising flour.

Butter a 1½-2 pt pudding basin and put 3 tablespoons syrup in the bottom of it. Put 5 tablespoons syrup in a large mixing bowl, add the butter, sugar and grated lemon zest. Beat till creamy. Beat in the eggs, then gradually blend in the sifted flour. Stir in a tablespoon of lemon juice. Pour into the prepared pudding basin. Cover and tie for steaming in the usual way. Steam for 1½ hours topping up with boiling water as necessary. Turn out onto a warm serving dish and serve with generous quantities of lemon syrup sauce (made by warming together the remaining lemon juice and plenty of golden syrup).

RICE PUDDING
SERVES 4

Badly made, this is horrid. To achieve lusciously creamy results with a golden skin do use rich milk and some cream, soak the rice, then cook it very slowly and gently. If the recipe given here sounds too extravagant, reduce cream to ¼ pt. and increase milk accordingly, but, in this case, stir a lightly beaten egg into the soaked rice just before popping it into the oven.

4 tablespoons pudding rice (Carolina, short grain or Japan type), ¾ pt. gold-top milk, ½ pt. single cream, a little butter, sugar, freshly ground nutmeg and ground cinnamon, lashings of jam (preferably whole black cherry jam).

Butter a large, shallow dish, such as a gratin dish. Put the rice in it. Add the milk, cream and 4 teaspoons of sugar. Stir to mix well then set aside for 45-60 minutes. Stir again, dot the top with flecks of butter and a little nutmeg and cinnamon. Place in the centre of the oven at 300 F, gas mark 2, and bake for 2½-3 hours. Serve with generous dollops of jam.

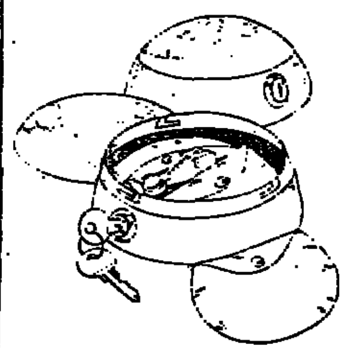
ORLANDO'S PUDDING
SERVES 4

The most aromatic of all steamed puddings and I like to gild the lily by serving it with ice cold brandy butter.

2 oz fresh brown breadcrumbs, 2 oz self-raising flour, 2 oz suet, 2 oz brown sugar, 2 lemons, 4 tablespoons marmalade, 1 egg.

Put the breadcrumbs in a large mixing bowl. Add the sifted flour, suet and sugar. Stir to mix well, then add the grated zest of both lemons and four tablespoons each of freshly squeezed lemon juice and thick cut marmalade. Stir again to mix evenly, then add in the lightly beaten egg. Turn into a well buttered pudding basin. Cover and tie in the usual way and steam for 1½ hours, topping up with boiling water as necessary. Turn out on to a warm serving dish and serve with marmalade sauce or—infinitely preferable—plenty of brandy butter.

INTO SAFE KEEPING



PEOPLE who have precious jewels seem also to be able to afford to travel and if you do travel with your jewellery you want to be able to wear it. So where do you keep your jewellery so that it is both accessible and safe from burglars? The answer might well be a very new device, called the "Bubble Box," which has just arrived in Britain.

The "Bubble Box" is small enough to be totally portable, it measures some 6½ inches in diameter and is light and easy to pick up. When you want to use the "Bubble Box" as a safe you first stow your jewellery into the soft little pouched envelopes that are provided. These are then put into the box. You then need to find a smooth, non-porous surface, either vertical or horizontal, and a little red lever inside the box enables you to make the box attach so firmly to the surface that it cannot be removed until the red lever is operated again. It works on the suction principle and any surface like mirror, marble, wall-tile, plastic, or sheet iron could be used. The lid of the box is then closed and locked and not even the strongest burglar will be able to remove it without a battery of tools.

When you want to remove the bubble box you unlock the lid, release the lever which in turn releases the suction and the box is free.

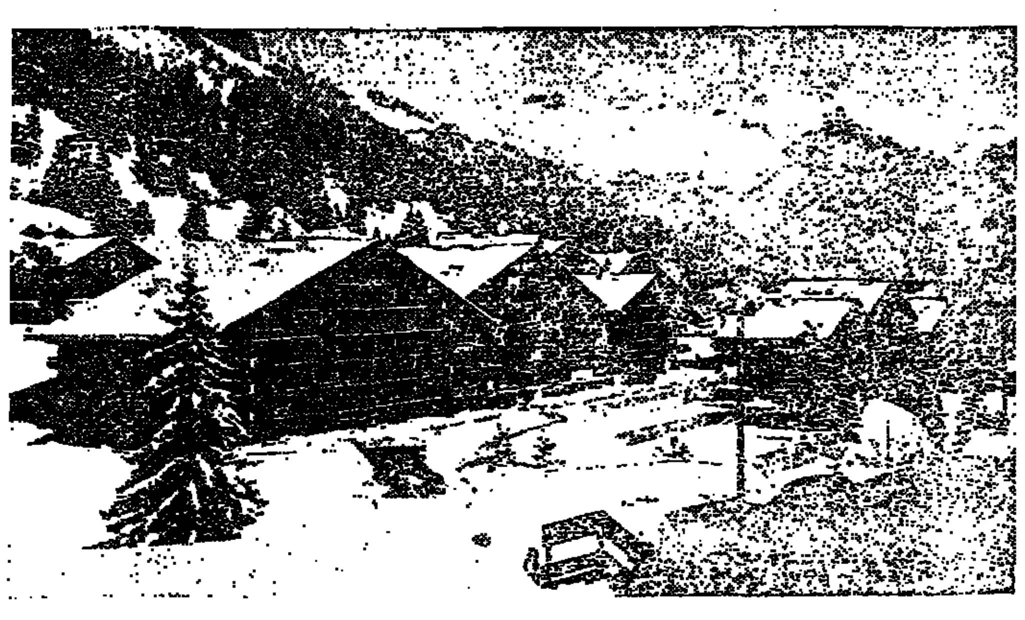
It seems to me a good idea not just for those who travel a great deal but it is a useful way of keeping jewellery at home without constantly worrying about burglary.

It is remarkably inoffensive looking, being of a silvery chrome and quite smoothly finished. Etcetera of 47, Golders Green Road, London, NW11 8EL sell it for £29.95 and they will send by post for an extra £1.00.

Property and housing

A resort with time on its side

BY DAVID FREUD



Modern apartments in traditional style.

ANZÈRE, the modern purpose-built skiing resort in the Valais, has been hard hit by the ambivalent Swiss attitude to the foreigner. Its development is now about five years behind the original schedule and apartment sales are relatively sluggish. In contrast the French third-generation resorts are experiencing lively demand.

The resort, which got under way properly in 1966, is the only purpose-built mountain village in Switzerland apart from the nearby less ambitious Thyon. Its growth has fallen under a shadow since June 1972 when the Lex Furgler banned all property sales to foreigners. Some months later the absolute ban was lifted but replacement legislation enforces a 65 per cent. maximum of foreign sales. Since the resort has experienced a natural sale rate to Swiss nationals of just over 10 per cent. the discrepancy remains a difficult problem.

About two hours' drive from Geneva, and three hours by public transport, Anzère is situated 10 miles from Sion, facing south. It reaps the benefit of an annual number of sunshine hours that compares with the Cote d'Azure. The view across the valley to the Haute Route peaks is unparalleled.

The design, construction and style of the buildings match the superlatives of their situation. The chalet blocks, each containing up to 100 apartments, blend into the mountain background due to the natural materials used on the exteriors. While varying in materials, colour and detail, 15 or so blocks have a coherence of style that is visually delightful.

Most of the blocks are grouped round a lozenge-shaped square, which also encloses the main shopping facilities and the two hotels. With the absence of cars, the architects, Jean Hentsch and Associates, have ensured that children can be allowed to wander off on their own to play without fears over their safety.

Under the square, parking facilities are provided for 400 cars, and also, incidentally, alternative entrances to the apartment blocks. The cable-car entrance is 100 metres to the west of the main square.

The interiors of the apartments are of a very high quality, the common characteristic being a spaciousness unusual in mountain resorts. A typical two-bedroom apartment is at least 80 square metres. Most have tiled balconies with wooden railings, completely equipped kitchens, open fireplaces and pine wainscotting. Good thermal and sound insulation, common central heating and rubbish chutes are other features. Some of the apartments are magnificent enough to serve as film sets.

Swiss rules

The current ownership mix is dominated by France and Germany, with 25 per cent. of the total each. Italian, Swiss and British nationals each own around 12 per cent. of the apartments, while purchasers from Benelux countries take up another 7 per cent. The statistics for rentals show a somewhat different pattern, with Benelux taking nearly 30 per cent. in the year to May 1975. British and Italian rentals through the letting agency at Anzère hover at around 2 per cent. each. The current number of beds in the resort is just over 5,000 and the maximum growth possible within Swiss building regulations is up to 10,000 beds.

At present the skiing is still somewhat limited. There are seven main skilifts, with a total length of about six miles, giving access to 10 miles of piste. The skiing is enjoyable, with one long run to Les Rousses a particular favourite. The main drawback is that the main route down to the village faces due south and deteriorates very rapidly without regular falls of snow. Excellent off-piste possibilities offer some compensation.

Anzère will come into its own when the planned cable up to the Wildhorn glacier is erected, which at 3,247 metres is 1,750 metres above the village. This will be economically feasible when there are 8,000 beds—originally scheduled for this year. Now no one is committing himself to a date, though it is unlikely to be before 1980. When the Wildhorn is opened it will be one of the best skiing areas in the world. The planned Tunel de Rawil nearby which will link the cantons of Bern and Valais will permit return trips from Wildhorn-Lenk runs, as well as opening up other downhill routes.

From the British purchaser's standpoint an apartment in Anzère is at best a medium-to long-term investment. Running costs are high, although the small sample of British owners I questioned found it just possible to cover them by letting.

Taxation is a major expense, with demands at communal, cantonal and Federal level. The average for my sample of one- and two-bedroom apartment owners worked out at about £500 for 1975. Maintenance and service charges came to another £500. Owners found that by eschewing high season themselves they could earn the £1,000, allowing for 25 per cent. commission to the resort's letting office, in ten weeks of rentals. Anzère's popularity in summer is a major factor.

Swiss law prevents short-term property speculation in the apartments. Resale is forbidden within ten years without very good reason, and capital gains tax only ceases to operate after 15 years. Nor is any owner officially permitted to stay in Switzerland for longer than two three-monthly periods each year. There is, however, no machinery to enforce this law. Finally, a plus factor for the hard-pressed Briton: the Valais is one of only three cantons which do not have death duties.

The economic outlook of the resort is slowly recovering following the savage blow of the Lex Furgler, after which the annual apartment sales slumped from Sw.Frs.28m. (£5.3m.) to Sw.Frs.4m. (£0.76m.). SAREM, the skilift operating company, is expected to show a modest profit this year for the first time — five years behind schedule.

Credit is probably strong enough to enable the holding company of Pro Anzère to hold for letting on its own account flats which cannot be sold due to the 65 per cent. rule. In 1975 the company was able to overcome liquidity problems with no hardship by raising Sw.Frs.5.25m. (£1m.) through a rights issue. Of a total Sw.Frs.172m. (£32m.) investment by Pro Anzère, which was established with a majority of Swiss capital and French and Belgian minorit stakes, Sw.Frs.105m. (£20m.) has been recovered through sales.

At present there are 45 apartments available for sale, from a total of about 800. Of these 32 can be sold to foreigners, and Pro Anzère reserves the best apartments at each price for sale to Swiss nationals.

Double block

Work will begin on a double chalet block of 100 apartments called Cristal in the spring for completion by Christmas 1977. Prices average Sw.Frs.56,000 (£10,600) for a single room; from Sw.Frs.190,000 (£36,000) for a two-bedroom apartment of 60 square metres to Sw.Frs.250,000 (£47,500) for 80 square metres; and Sw.Frs.320,000 (£61,000) for a three-bedroom apartment of 110 square metres. The dollar premium at current levels adds another 47 per cent. to the cost. Selling agents in the U.K. are Knight, Frank and Rutley, 20, Hanover Square, W1.

Whatever the current problems, Anzère must eventually prove an all-round success. It lies just below what is potentially one of the best skiing areas of the Alps, the quality of building is high, the lay-out of the village convenient and the visual effect charming. It has the added bonus that Swiss law prevents competition. No new resorts may be started, but in any case it is now difficult to find suitable land of the area required—1m. square metres is a minimum requirement. Anzère has time on its side.

HOME NEWS

Felixstowe Docks Board rejects higher offer

FINANCIAL TIMES REPORTER

THE BOARD of Felixstowe Dock continues to support the take-over bid by the State-owned British Transport Docks Board, in spite of a higher offer by European Ferries.

The Board makes no firm recommendation to shareholders, but comes down in favour of the BTDB for long-term development.

A factor which may have weighed with the Board is that even a successful European Ferries acquisition would still leave question-marks over the future of the port because the Government is committed to nationalisation.

The unanimous statement by the Felixstowe company dispels doubt that the Board might be wavering in its commitment to the British Transport Docks Board take-over.

A Private Bill is now going through Parliament to vest control with the BTDB at a purchase price of 150p a share.

The situation has been complicated by the surprise intervention by European Ferries with a counter bid which values the shares at about 196p.

European Ferries remained optimistic last night about its offer and said that the decision rested with shareholders.

The BTDB welcomed the decision to support its proposals. Sir Humphrey Browne, chairman, said: "My Board are naturally pleased that we continue to have the full support of the Felixstowe Board. The late intervention by European Ferries has created uncertainty about the future of the port which, if prolonged, could have damaging effects on Felixstowe.

"We, therefore, emphasise our resolve to see the matter through to a successful conclusion." The Board hoped the Bill would receive Royal Assent later this year.

"We shall then be in a position to ensure the continued development of the port, backed by the full resources of the British Transport Docks Board.

"We have undertaken to do everything possible to encourage the growth and prosperity of the port, using our experience as a profitable port authority to build on Felixstowe's success," said Sir Humphrey.

Stern flats may still be taken over

By Justin Long

IT IS STILL possible that some of the Stern group's blocks of flats could be taken into public ownership, in spite of last year's failure of negotiations between the Government and the liquidator to agree a scheme for the future of the properties.

Mr. Reginald Freeson, Housing Minister, told the Commons yesterday that if the Stern Properties were offered to local authorities "at the right price" he would consider each case on its merits.

"For the rest, I will examine the problems of other tenants and the good maintenance of the properties in the rented sector in the light of the report of the working party on alternative forms of social ownership and tenure and the review of the Rent Acts which we are setting in train," said Mr. Freeson in a written Parliamentary answer.

Water boards to receive £13m. in Euroloans

BY DONALD MACLEAN

LOANS equivalent to £13m. (22.6m. units of account) are being made by the European Investment Bank to the National Water Council, which will pass on £9m. to the North-West Water Authority, on a 10 year basis, and £4m. to the Northumbrian Water Authority for 12 years.

Interest on the loans is 9¼ per cent., but to the extent that commitments entered into in foreign currencies are insured against forward exchange rate movements through a Treasury scheme, the authorities face additional costs, though the borrowing will remain cheap by domestic standards.

The European Investment Bank is the European Economic Community's longer-term finance institution. The loans will go towards water supply projects.

The £4m. loan to the Northumbrian Authority will be a second contribution by the European Investment Bank towards financing the £100m. Kielder water scheme. In October, the Bank provided a loan of £7.5m.

"A run-down of industries traditional to the North of England, such as coal-mining, cotton (North-West) and shipbuilding (North-East)," the European Investment Bank said yesterday, "has led to unemployment levels persistently above the national average.

"Apart from meeting domestic demands, an adequate water supply is essential to the infrastructure required to enable fresh industrial enterprises to take root in these regions and provide the new job opportunities required."

THE BRITISH INSTITUTE OF MANAGEMENT

First convention demands climate for initiative

BY JOHN ELLIOTT AND NICHOLAS LESLIE

Leonard Burt

Conferring at the British Institute of Management convention in London: Sir John Partridge, Lord Watkinson, who is BIM's president, and Mr. Roy Close, its director-general designate.

AN INITIAL step towards establishing a national forum in which the views of middle management can be drawn up was taken yesterday when the British Institute of Management staged its first ever convention in London.

Three resolutions were approved by the convention. These called for the Government to help create the right environment for greater managerial initiative which could take place with increased worker participation. At the same time the BIM should be built up as a major national voice alongside the CBI and TUC.

But one other resolution which set a bewildering list of social and other targets for managers—including the acceptance of pay restraint — was rejected. Sir Frederick Catherwood, BIM chairman, said later however that since there had been no speaker in the debate attacking pay restraint the fact that this complex resolution had been rejected could not be taken as a BIM view on pay.

Demand

The convention was opened by Lord Watkinson, the BIM's president who called for the Government, trade unions and employers to settle for a voluntary wage policy that would make a continuing contribution to conquering inflation. If this happened, "it might well be wise for industry to defer its demand for the complete abolition of price controls for the time being," he declared.

But continued agreement to price surveillance did not mean acceptance of the existing Price Code, which was the worst of all worlds. A thorough re-examination of price controls, leading to changes being introduced to encourage firms to re-stock, re-invest and re-activate idle plant, was necessary.

Lord Watkinson said that in view of relatively low inflation rates of Britain's competitors, the next "inflation target" should be "of the order of 5 per cent." for the year starting this August. The pay limit should be expressed as a percentage because differentials had been seriously eroded.

For the future, he made the point that it was "only the professional managers, whether they be in industry, commerce, the trade union movement or Whitehall, that can make the next round of the anti-inflation policy work."

A motion on the Government and the economy attracted strong and opposing views. Mr. Harry Atherton, of the Kent branch, criticised Government inaccuracies on public spending estimates, the interference of Government in industry and "short-term" political legislation which harmed the long-term prospects of industry. It was time the views of managers were voiced loud and clear, in addition to those of the CBI and TUC. There were disincentives in working for the private sector while people could take the "easier road" of going into public service.

But the motion ran into considerable opposition, with other speakers arguing that the BIM would be doing itself a disservice if at its first convention it concentrated on asking the Government to reverse policies. The answer instead lay with industry itself putting its house in order.

Sir John Partridge, former chairman of Imperial Tobacco and a past president of the CBI, took the sting out of the debate by suggesting that what was really being discussed was the contrast between productive industry, both public and private, and the public services.

While there was too much denegration of management, much of it was management's own fault and it should expect to get shot at. Sir John felt it necessary to build greater, though not total, security into employment prospects of managers. The pull of greater security in the public sector was not the whole story. It was more a relative lack of esteem for working in industry at all levels.

A subsequent motion on the responsibilities and performance of managers, which embraced a wide variety of recommendations on responsibilities, priorities—such as health and welfare of workers, protection of minority rights—the understanding of profitability and rewards of managers (together with a call for temporary financial restraint during the present economic crisis) was defeated.

Those speaking for the motion talked of the "most positive contribution" managers could make being to secure the support of fellow workers. They ought to ensure workers understood the value of profits and of the "magnifying nature" inherent in management. Others maintained that it was "inept" at this time to talk of greater financial rewards for managers.

Organise

Mr. Denis Sweeney, of the Association of Executive Engineers warned that the recognition managers sought could only be earned. It was time for managers to organise themselves and they should be asking whether they should join TUC affiliated unions or others like Mr. Sweeney's association.

Some strongly held views were also generated by the third motion—"Participation and industrial democracy"—which was carried. Mr. Brian Cullingford moving the motion again raised the theme of the need for profitability to be accepted as necessary, but suggested that "only the State seems able to ignore this basic economic precept."

Another suggested there should be changes in the Companies Act—such as an amendment to recognise management's commitment to labour as well as capital. This was backed up by Sir Jack Callard, former chairman of ICI and a member of the Bullock Inquiry on industrial democracy, who wound up. Participation, he said, was interpreted by some as the dictionary definition, while others, such as the TUC, illogically saw it as an extension of collective bargaining into the Boardroom.

The final resolution advocated the BIM as the "voice of management" and the tenor of the speeches was that this should be achieved not by the BIM becoming a trade union but by it endeavouring to establish itself as the organisation speaking for professional managers on a par with the TUC and CBI.

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Receiver wins more time for Brentford Nylons

BY RHYS DAVID

THE receiver appointed last week to manage Brentford Nylons has won time to sort out the company's affairs through an agreement with two of the main suppliers, British Enkalon and Enka-Glanzstoff.

The two companies were claiming that, under the terms of their supply contracts, title to the goods made up from raw material provided by them and not yet paid for had not passed to the company.

As a result, legal difficulties could have prevented the receiver from selling finished goods and this could have meant that Brentford would have had to stop trading, placing in jeopardy efforts to keep it in business.

Mr. Adrianus de Zeeuw, deputy chairman and chief executive of British Enkalon, said yesterday that the agreement reached between his company, its Dutch-German parent Enka-Glanzstoff and Brentford had been made in the interests of employees and creditors and would enable the company to continue production and use existing stocks.

British Enkalon will also continue to supply Brentford, though it is expected the terms for future deliveries will be cash.

Cork, Gully, the receiver managing Brentford, said yesterday that several companies had expressed interest in the business and had been to see its production facilities at Cramlington, near Newcastle, where a total of about 1,800 people is employed in household textiles manufacture. No firm offers have yet been received, however.

● About 400 employees engaged on knitting machine-building operations by Courtaulds Engineering at factories in Leicester, Mountsorrel and Syston, are to lose their jobs.

They will go with the decision to close down A. Kirkland and W. E. Booton, in both cases because of difficult trading conditions.

The news came as a shock yesterday to workers at both companies. Complete closure will take place in a few months.

Official statements from the companies said that closure came after examining all factors and was due to depression in the textile industry and world-wide excess capacity in the manufacture of circular knitting machines.

Kirklands employs just over 280 at its Mountsorrel and Syston factories and Booton employs 100 in Leicester.

More than a year ago, Leicester was hit by the closure of Stibbe, another of the city's knitting machinery manufacturing firms.

Government plans pact with Press on privacy rights

BY JOHN HUNT

THE GOVERNMENT is considering agreeing with the Press a guaranteed right of privacy for the citizen and his family. The agreement would be coupled with changes in the laws on contempt and defamation which would increase the rights of the Press and broadcasting authorities to comment on issues of public concern.

Mr. Harold Wilson said at the Liverpool Press Club last night that the Government hoped soon to publish a Green Paper on the issues for public discussion.

It would also consult those in the media most directly concerned.

The Government had been considering possible changes in the law so far as it restricted the Press and broadcasting. It also wanted to ensure an effective right of privacy.

The Younger Committee had reported on privacy in 1972, the Phillimore Committee had reported on contempt and the Faulks Committee on defamation.

The Green Paper would deal with the issues raised in the reports.

In the case of contempt, there had been widespread dissatisfaction and criticism of the law as it stood in the Sunday Times case on thalidomide.

The Phillimore report on contempt and the Faulks report on defamation would both require legislation.

A privacy agreement would have to be on a voluntary basis because it was extremely difficult to define it in legal terms. However, an effective means was clearly needed of ending practices which were offensive to the citizens' privacy and not an issue of public concern.

It would be difficult to deal with privacy under the criminal law and it would not be appropriate. On this subject the Government was seeking the best legal advice available.

No decision had been taken, but the Government—after a debate on the Green Paper—would like to draft, in consultation with the Press and broadcasting authorities, a code of practice or statement of policy to govern the treatment of the privacy question by all concerned.

Refrigerator demand still cool

By Lorne Barling

DEMAND for domestic refrigerators is still flat. Deliveries to homes in the latter part of last year continued to fall and the situation was little improved by a slight upturn at the new year.

The industry does not expect any significant change before the Budget when people will hope for a reduction of the 25 per cent. VAT which has been a major cause of the fall in demand.

Deliveries to the home market in November were 59,414, compared with 78,991 in November, 1974. December deliveries totalled 41,000, compared to 62,000.

January figures are expected to be a bit better, but February could show an even more marked fall, according to the industry.

Deliveries of 1.04m. units for the whole of last year compare with the 1.06m. for 1974, but unless there is some concession in the Budget there is unlikely to be much improvement this year.

Exports for December were 16,500, compared with 13,000 a year previously, but for the whole year reached only 169,000 compared with 267,000 in 1974, reflecting the effects of the recession.

Ranger group finds oil off Scotland

BY RAY DAFTER, ENERGY CORRESPONDENT

THE RANGER OIL exploration group has made a "significant" oil discovery 160 miles east of Aberdeen.

Scottish Canadian Oil and Transportation Company, which recently raised £17.7m. on the stock market, also has a major stake in the find on Block 23-27, immediately west of the Norwegian Cod gas-condensate field.

Ranger shares rose £1.50 to £12.62½ with the news, while the oil-production stock issued by SCOT in association with London and Scottish Marine Oil rose 8p to 170p.

Oil from the test flowed at a rate of more than 3,000 barrels a day through a restricted choke, results said to warrant further drilling.

So far the block licensees, which include International Utilities of the U.S., have spent £6m. to £7m. on three wells in an attempt to find and prove the oil-bearing structure. The first two wells were dry.

The third well, in which Ranger and SCOT were the only participants, revealed a portion of "a thick oil-bearing sandstone reservoir," according to a statement yesterday.

The well was drilled with the Sedneth 701 semi-submersible drilling rig in 276 feet of water to a total depth of 13,566 feet.

Ranger said further exploratory drilling would be needed to appraise fully the commercial significance of the discovery.

The new field, 65 miles south-east of BP's Forties Field, differs from the neighbouring structures of Cod and Lomond in that it is predominantly an oil reservoir rather than a gas-condensate field.

Ranger has a 47.06 per cent. interest in the well, and SCOT 52.94 per cent. International Utilities which has a 15 per cent. interest in the licence, elected not to participate in this latest test. As a result it must buy an interest in the discovery if it wishes to be a partner in the field's possible exploitation.

British Rail granted £17m.

A GRANT of £17m. to offset British Rail's freight deficit was among supplementary estimates of £284m. published yesterday.

Most of the estimates cover pay and price increases in the Health and Social Service fields—a total of £116m.

Another £8m. is for an increase in pay and prices connected with air defence systems.

Tribune Group to challenge cuts in public spending

BY JOHN HUNT

MEMBERS of the Left-wing Tribune Group of Labour MPs have put down a strongly worded amendment challenging the Government at the end of the two-day debate on the public expenditure White Paper in the Commons on Tuesday and Wednesday.

The amendment says that the economic strategy in the White Paper is based on wrong assumptions and claims that the policies are at variance with those in the TUC's economic review.

It calls on the Government to restore the spending programmes which have been cut and to implement the economic policies advocated by the TUC and Labour Party.

The White Paper's policies would "damage the interests of those least able to help themselves and fail to secure a return to full employment."

Tory bait

The Tribune Group has every hope that the Speaker will allow the amendment to be debated. If he does, there is little chance of a Government defeat. The amendment gives the Left another opportunity to let off steam by voting against Government policy, but the Opposition will not back it.

The Conservatives have put down a carefully worded amendment of their own. It declines to approve the White Paper and says that it will lead only to lower living standards, fewer jobs and higher taxes.

The phrasing has been worked out to tempt Left-wingers to support it. But although 25 Labour back-benchers have said that they will not support the Government, they have no intention of taking this particular bait.

The Government's own vaguely worded motion which promises to keep the priority between the various expenditure programmes continuously under review is likely to be carried.

£5m. plan to save Jensen put to prospective buyers

A £5m. study has been made for the revival of Jensen Motors, the high performance car company at West Bromwich, Mr. Tony Good, a director, said in London yesterday.

It envisages the company's assets being bought for £1m.-£1.5m.; £2m. being set aside for working capital; and £1m.-£1.5m. being provided for development.

Mr. Good is one of those behind the scheme, precise details of which will be made available on March 15.

About six groups were interested in the company, from Britain, Europe "and abroad," he said.

"Speed is essential now. We believe there is a very satisfactory future for the company so long as it is not starved of cash."

There has been considerable activity behind the scenes to try to keep the ailing company alive. Jensen has been run for the past five months by a receiver appointed by the Bank of America.

The 650-strong labour force has been progressively run down since January 1. A further 140-150 workers yesterday received protective notices due to expire—if no buyer has been found—on or before April 16.

Jensen is one of the leading specialist car makers and the management hopes that the business can be turned round in the same way as Aston Martin at Newport Pagnall.

Weekly production averages 25 £4,500 GT models and ten £10,000 Jensen Interceptors.

Mr. Good's associates include Mr. Donald Healey, another director and car designer; Mr. John Barber, former managing director of British Leyland; and two representatives from the merchant bank Henry Ansbacher.

Backbenchers vote for regional bodies

By Justin Long

LABOUR backbenchers of depressed regions of England yesterday flouted Government advice and gained the second reading in the Commons for the Private Members Bill to set up English Development Agencies on the lines of those for Scotland and Wales.

The MPs turned a deaf ear to the earnest Government arguments that the last thing it was desirable to do at the moment was to create further bodies which would merely fragment industrial policy.

Average rates rise is 10.1%

By Donald Maclean

COUNTY COUNCIL rates in England and Wales are to rise by an average of 10.1 per cent. according to the Local Government Chronicle.

The sharpest increase is Surrey's rise of 20.2 per cent. Hertfordshire is next with 19.4 per cent., and Derbyshire third with 18.4 per cent.

Out of 47 county councils (excluding metropolitan county councils such as the Greater London Council), Leicestershire is the only one to have cuts its rate—by 3.9 per cent.

Farm land values still down on last year

FINANCIAL TIMES REPORTER

FARM LAND values are still below the level recorded a year ago, although the cost of land with vacant possession is steadily rising again.

According to the latest survey by the Country Landowners' Association, values in the quarter ending January, last year, fell by an average of £72 per acre for tenanted land and £37 an acre for land with vacant possession, compared with a year earlier.

The figures are based on an analysis of 137 sales of agricultural land, of which nearly 10,000 acres had vacant possession and 17,000 acres were subject to tenancy.

During the latest quarterly period under review, lowland sales with vacant possession returned an average of £555 per acre, while tenanted lowland averaged £285 an acre.

The average for all land sales with vacant possession was £511 an acre, while the figure was £246 an acre for tenanted land.

The Association says that the amount of land bought by institutions as opposed to private individuals or family trusts was 12 per cent. of the acreage in the sample, compared with 15 per cent. in the previous quarter.

Print training grants details published

BY JAMES McDONALD

THE PRINTING and Publishing Industry Training Board has published details of the Board's 1976-77 grants scheme for non-exempt employers, which has been approved by the Manpower Services Commission.

The grants are payable from April 1 to March 31, next year to employers who are neither exempt from levy through having met the requirements of the 1976-77 exemption scheme nor excluded from levy on the grounds of size.

One important change from the 1975-76 grants scheme for non-exempt employers is that this year there will no longer be a grant payable under Section One for the preparation of a company training plan.

A separate Key Training Activities grants scheme offers grants to all categories of employers for trainees attending PPITB full-time first year integrated courses for printing publication workers, for the training of new entrants to regional newspaper journalism, for the industrial training periods of students on printing technology sandwich courses and for group training schemes.

1976-77 Grants Scheme for Non-Exempt Employers. Printing and Publishing Industry Training Board, Merit House, Edgware Road, London, NW9 5AG.

SNOW REPORTS

	Depth (cms.) L	U	State of Piste	Weather	°C.
Crans	10	35	Worn	Wind	0
Sauze d'Oulx	30	70	Fair	Fog	−1
Seefeld	40	70	Poor	Fine	3
Val d'Isere	30	130	Fair	Fine	−1
Villars	10	78	Fair	Fine	10
Wengen	20	70	Fair	Haze	1

These reports are supplied by the Ski Club of Great Britain. The following are from other sources.

NORWAY					
Finse	280	310	Good	—	−5
Geilo	40	50	Good	—	−7
Lillehammer	35	90	Good	—	−6
Voss	165	183	Good	—	−7
FRANCE					
La Plagne	80	100	Hard	Sun	—
Les Arcs	35	125	Good	Sun	—

SCOTLAND

Cairngorm: A few main runs complete, others broken. Surface icy. Limited nursery areas. Vertical runs 1,400 ft. Snow level 2,000 ft. **Glenshee:** Main runs— None complete. Patchy cover of spring snow. Lower slopes—no snow. Vertical runs 600 ft. Snow level 2,200 ft. **Glencoe:** A few main runs complete, others broken. Hard-packed snow. Lower slopes—no snow. Vertical runs 1,000 ft. Snow level 2,600 ft.

The Arts

Simon Boccanegra

BY RONALD CRICHTON

As their second and principal offering during the guest season at Covent Garden. La Scala have brought a production of Verdi's *Simon Boccanegra*, staged with the sombre, restrained magnificence which still marks Italian grand opera at its finest. *Boccanegra* is a work which makes devoted converts. Once under the spell one loves it, faults and all, with a protective affection not always claimed by the other, even richer, more consistently rewarding works of the period before *Otello* and *Falstaff* (strictly speaking *Boccanegra*, as a revision of an earlier score, belongs to two periods). Considering that it reached London only in 1948 (at Sadler's Wells) and was not seen at Covent Garden until 1965 (in Tito Gobbi's respectable, serviceable production), by our cautious standards *Boccanegra* has established itself fairly quickly. Thursday night's performance will surely have completed the process in the most affirmative possible way.

So closely integrated are the production of Giorgio Strehler and designs of Ezio Frigerio that they must be considered together. *Frigerio, who dreamed* up the handsome if wrong-headed sets for the Paris Opéra *Rosenkavalier* recently described here, has *created for Boccanegra* an equally dream-like but more apposite medieval Genoa, with tall, elongated Romanesque and early *Gothic stonework sheering* up beyond shallow flights of steps. There are glimpses of the sea that forms an ever-*present background to the action* and of filmy white sails. Costumes, blue for the plebeian faction, crimson for the patricians, are *quietly sumptuous*. There is a vast, cream-and-mulberry brocaded drop-curtain, lowered during Simon's soft, *ecstatic cry of "Figlia" at the* end of the recognition duet with his daughter — the following scene for the conspiring Paolo and *Pietro is played in front of* it. Described in print the effect may sound vulgar. In the theatre it was breath-taking.

This Genoa is tenebrous, full of mystery and menace. Some will find it under-lit, though the half-light suits the prevailing mood well enough. In the prologue, the action is viewed in a series of lightning-flashes through the darkness, the flashes usually concentrating on Paolo, the Plebeian leader, whose villainy is emphasised to the point *of grotesque stylisation*. There is more stylisation in the great scene in the council chamber which forms the first act finale: here the cross-currents between the warring factions resolve themselves into a formalised fight which threatens to become ridiculous—one wonders why Simon (now Doge) bothers to intervene.

Strehler sets the last scene, normally played in a palace chamber with windows open to the sea, in a kind of loggia giving directly on to the harbour, with a great vessel *(ducal barge?)* moored conveniently nearby. When the dying Doge apostrophises the sea which was the theatre of his early exploits the sails are raised as if to give him air. When he dies (wrapping himself once again in a plebeian cloak) they are slowly lowered. The symbolism works fairly well, the stage picture is grandly simple. Simon's reconciliation with his old enemy Fiesco makes a strong effect—and yet, one isn't wholly convinced—since the pace of Verdi's music justifiably slows down as Simon's life ebbs away, there is time to wonder in a prosaic English way why, apart from propping him up from time to time, someone doesn't fetch him a chair or bench, or send for a doctor.

There may conceivably be two views about Claudio Abbado's conducting of Rossini. Not, surely, about his Verdi, where he revealed himself in this performance as unmistakably in the royal line. There was the full-throated quality heard intermittently in his *Ballo in maschera* at Covent Garden not long ago. In *Ballo*, an opera of contrasts, it was only intermittently required. In *Boccanegra*, uniformly sombre, it was constantly in evidence in the richness of the string tone, the roundness of the woodwind solos (flute and oboe especially), in the genuine rubato which can pay back what it robs because it is so firmly anchored to a deep rhythmic pulse, in the absence of mere effect, the presence of so much nobility and fire.

Musically as well as visually *the production is unusually well* integrated, in the balance between stage and orchestra pit (the chorus splendid but not *overwhelming in the great act* one finale), in the careful, thoughtful casting. Felice Schiavi's tightly-gnarled tones might not give great pleasure in lyrical music, but are exceptionally well fitted to the producer's conception of Paolo: Giovanni Foiani as his follower Pietro, a smaller part, is cast in the same, hard mould. Even if he has not become quite the singer one hoped for, Ruggero Raimondi's portrait of the patrician Fiesco is an imposing piece of work. In "Il lacerato spirito" the tone was knotty, but the duet in act one with Gabriele Adorno was admirably sung. Veriano Luchetti *is not the most honeyed of tenors*, but his virile and intelligently musical style make an unusually convincing figure of Adorno.

To the role of Maria, Simon's daughter, Fiesco's grand-daughter, Adorno's bride, Mirella Freni brought the deep conviction *that surprises and delights in* a soprano physically so slight and charming. In the final scenes the tone was beginning to thin out, but by then Miss Freni had given a fresh and firm account of her difficult aria and of the duets which follow (with one long, radiant, perfectly placed high B). The title-role was sung by Piero Cappuccilli, a greatly gifted baritone with an inexhaustible supply of even, well-focused but sometimes monotonous tone. When he is teamed with Abbado he is capable, as he showed here, of variety, shading and detailed expression. In some scenes his diction went dull, and the tension *in his soft phrases went slack*. Otherwise, and with the reservation that Mr. Cappuccilli in the last resort is not over-gifted with the reflective nature the part ideally requires, the central position in an evening of memorable splendour was most worthily filled.

Piero Cappuccilli

Theatres this week

GREENWICH—*The Bells*. The melodrama that made Irving's name. Good performance by Freddie Jones in too mock-Victorian a production. Opened Tuesday.

SOHO POLY — *Free Chicken Dinners*. Impenetrable but sometimes amusing fantasy about inter-galactic chickens. (Lunchtime.) Opened Tuesday.

BUSH—*Winter Visitors*. Orotund domestic piece ending in irrelevant violence, rather well played. Opened Wednesday.

NEW END — *Wild Orchids*. Family tensions in a remote farmhouse, romantic and old-fashioned. Opened Tuesday.

COMEDY—*City Sugar*. Brilliant comedy about a cynical disc-jockey (Adam Faith) in a provincial radio station and his relationship with his listeners. Opened Wednesday.

Silly Suffolk

BY GILLIAN WIDDICOMBE

Black joke of February was this lethargic item from a Suffolk newspaper, The Leiston Observer. "Anticipating a £35,000 deficit, the Aldeburgh Festival Association has asked the county council and Suffolk Coastal District Council to help out to the tune of £15,000. At a meeting of the Suffolk Coastal District Council's Recreation and Amenities Committee. . . members unanimously recommended giving the festival a £1,000 grant."

A thousand pounds? Oh fie! Those who appreciate that Aldeburgh is the most civilised and attractive of all British festivals (*pace* Edinburgh) may already be loading the excellent Maltings concert hall on to a large lorry, for export to a similar swamp in another county. Or negotiating with the Shah's purser. However, Aldeburgh is actually most grateful to its stingy local council, since this £1,000 replaces an annual grant of £30.

Financially, Aldeburgh is the victim of its very attractions—the beautiful, isolated location, and the international reputation. The district council regards it as a county project; and the county considers it a national responsibility. Since the addition of The Maltings as a year-round undertaking, Aldeburgh's financial structure has developed into a network of overheads, shifting slightly according to one's point of view. But to simplify, the overall budget for the current year is £180,000, to which the combined forces of the Arts Council and the Eastern Arts Association contribute roughly £20,000. Which seems paltry too, but *for the fact that*, without overheads, the summer festival (this year costing around £50,000) runs at a profit. That is, the *direct costs of concerts are fully* covered by box office receipts. A remarkable feat, considering that the Maltings seats only about 750 people.

Suffolk therefore receives both the civilised environment of Aldeburgh, and the 17-day festival, for a tiddlywink contribution—the district council's precious £1,000, plus £7,500 from the county council.

East Suffolk is the Cinderella of the Anglian peninsula. And as a ratepayer to both Westminster and the Suffolk council in question, I hereby stick out my neck to suggest that many Suffolk councillors are still snoozing by the fire. *During the past ten* years, Suffolk has enjoyed two aspects of modern prosperity. The more obvious is the develop*ment of the docks at Felixstowe*, and the attempt to streamline Ipswich into a commercial centre on a par with, say, Birmingham or *Bristol*. Naturally the authorities are aware of that kind of change, even in terms of leisure. Ipswich has just rebuilt its Corn Exchange into an arts and entertainments complex, including a large concert hall. A lavish conversion, I'm told: but not yet teeming with people.

Even Felixstowe gets a cut larger than Aldeburgh's from the district council, which is directly responsible for the two ugly pavilions on the windswept, concrete promenade, the Pier and the Spa. Of those pavilions I would write more (of their acoustics, for example), but for the nostalgic reminiscence that my own schoolgirl years were occasionally redeemed by celebrity recitals in the Spa (Peter Katin, I remember); and in the Pier, I danced with a feather duster and tu-tu at the age of four.

Suffolk's other prosperity is discreet, and individual. It is the gradual influx of those regarded (still with slight hostility by the locals) as weekenders, retired Londoners, or intellectual refugees, who in the last 10 or 15 years have chosen this as a conveniently remote and largely unspoilt county. Benjamin Britten may be hailed as the original leader of this re-settled intelligentsia; but I rather feel that the advent of Robert Carrier (who started a gourmet's paradise at Hintlesham Hall several years ago) marked the high tide of Suffolk's changed cultural environment. Such are the conservationists, whom both district and county councils have begun to appreciate, since the preservation of village life became fashionable.

The irony of this infiltration is neatly summed up by my own experience. When I received a £1,000 improvement grant, to transform a rotting peasant cottage into a *mortgageable* hide-away, the council's amiable officer agreed that the council was most grateful to "out*siders*" who, through restoration, invested their own capital in Suffolk's future. Now I blush to realise that, for repairing mud plaster, *and adding* luxuries essential to a Suffolk lass who has travelled a little, I received as much from the same council as the *Aldeburgh festival* receives in its most bountiful year. Yet like many others, I chose this particular area largely because of the Aldeburgh Festival.

It is said that Britten and Pears put a lot of their own money into the early festivals—and not only in waived fees either. Which is none of our *business except* as evidence that even miracles like Aldeburgh do not rise out of the mist merely because seashore composers bid them to do so.

Saleroom

ONE of the areas of the fine art market hit, not surprisingly by the recession has been modern British pictures where the demand tends to be domestic. But at Christie's yesterday there were signs of a definite improvement. The total was £124,840, with many prices comfortably above forecast.

It was quite an achievement *to sell three pictures of houses* by Sir Alfred Munnings, which had been in the collection of the late Fletcher Jones of Los Angeles. A private buyer gave £19,000 for a painting of *Mackwiller, Jennings up, at Chantilly*. Richard Green paid £13,500 for *Winter Meeting*, and another private buyer acquired *Steeplechasing: Going down to the start* for £10,000. All told the Fletcher Jones collection has realised £1,021,848 to date at Christie's.

Other notable prices were the £7,200 for a watercolour by John Singer Sergent of Venice (a record for a Singer watercolour); £7,800 from the London dealer Thomas Gibson for a Henry Moore bronze *Rocking Chair number three, small version*: and £4,000 for another Munnings, *Gone to the Cliff*.

At Sotheby's there were some exceptionally good prices for tapestries in a continental furniture and carpets sale which totalled £69,813. A late 17th century Brussels tapestry just beat its forecast at £4,200 and an early 18th century Flemish verdure tapestry did comparatively better at £4,000. A similar tapestry of slightly earlier date made £3,400.

In New York on Thursday Japanese prints received a boost with the dispersal of the Louis W. Black collection. All told the auction brought in £241,189, with over a quarter of the lots *going to Japanese buyers*, suggesting a strong revival of interest in this market.

ANTONY THORNCROFT

Collecting

Price of taste

AS THEY worked away industriously (and profitably, if they were in fashion) for their patrons, the Victorian painters might well have optimistically speculated how their pictures would be remembered in a hundred years. They could hardly have anticipated, though, the extent to which their work and its appreciation would become involved in the erratic economic affairs of their descendants.

The 20th century has seen of course violent shifts in fashion. From the 1920s right through the 1950s it was possible to buy the work of many of the great Victorians for derisory prices: indeed it is only very recently that paintings by the giants of the age—men like Leighton, Millais or Frith—have again begun to realise the kind of phenomenal prices they could command in their own time.

In violent reaction to earlier neglect, a great boom in Victorian painting which began in the sixties climaxed in 1973. *Critically, revaluation* had produced some good and influential writing and exhibitions. Commercially, the market was stimulated by a number of dealers who began to specialise in Victorian painting in the late *1960s and by the setting-up of* Sotheby's Belgravia saleroom, with its emphasis on Victorian works of art.

Ultimately, however, the extreme prices that were being realised in 1973 can probably be credited to a new breed of investor-collector. Strange as it is to recall those distant days, the property boom had produced quite a lot of money looking for something to buy. Not surprisingly perhaps the works of art *that had commended themselves* to the new industrial aristocracy of Queen Victoria's age seemed to appeal to the new property barons of the 1970s.

It was an English market and reflected an English taste, with keen competition for the important pre-Raphaelites and the genre pictures, shipping subjects and landscapes that were brought out of hiding by the high prices. As an English market it suffered fairly dramatically in 1974-75. Many paintings dropped to half the saleroom prices that would have been expected the year before. *One picture which had gone* through Sotheby Belgravia in 1973, when it reached £14,000, reappeared in the saleroom and was bought by the same dealer as before for £6,000.

A measure of subsequent recovery has been largely due to the foreign buyers who moved in, attracted by favourable exchange rates. Currently the best customers are the Germans and Japanese: Western painting is a field which so far seems not to have attracted Middle Eastern buyers.

The new customers, say the salerooms, have resulted in *some odd revisions in saleroom* taste. The Japanese in particular like paintings that *look* like paintings; and dealers producing catalogues to appeal to Japanese buyers have found it advisable to illustrate pictures in full colour, complete with ornate gilt frames.

Pretty and sentimental girl pictures and any "chocolate-box" *subjects are in demand*—though "chocolate-box" can take in Benjamin Leader landscapes and moodish Atkinson Grimshaw scenes as well as soppy pussies and poodles on cushions (not, though, more practical domestic animals: sheep, pigs and similar livestock are not greatly in demand). Shipping and sea*scapes—always a very English* preference—are down; but waterfalls, which the Japanese love, are very much up.

One immediate and predictable effect of the uncertainty of prices was to discourage vendors; and there has been a notable scarcity of important Victorian paintings on the market—certainly as compared *with the early months at Sotheby* Belgravia, when the saleroom provided a regularly changing exhibition of the best Victorian art.

Going to the City by James Jacques Tissot (signed on panel 17½ x 10 ins) from the collection of Viscount Kemsley exhibited in the Graves Art Gallery, Sheffield.

Hence next Tuesday's Belgravia sale of Fine Victorian Paintings—the saleroom's best in several months—will be an interesting test of how this area of the market is bouncing back.

Three paintings by Frederic Lord Leighton include a marvellously arrogant portrait of the Roman beauty Nanna Risi, who became the mistress and con*stant model of the German* painter Anselm Feuerbach; and Leighton's first major nude, "Venus Disrobing for the Bath." "A full-length, life-size Venus, not so much 'disrobing' as already undressed, is a little *startling nowadays*" *exclaimed* the critic of The Art Journal when the picture was shown in the 1867 Academy: and huffed and puffed for half a column more, concluding, "We applaud the attempt. Instead of discouraging such efforts, we would say that the painter, whoever he may be, does good service to Art who reconciles the untutored English eye to the beauties of the unclothed figure. Only let it be remembered that to such painter is committed a grave responsibility. He is bound to paint on the side of virtue, and so to exalt beauty as to silence passion.

"Whether this last-created Venus will, in times to come hold a position in the annals of Art, it were a little premature now to conjecture," he decided. A century on, and *with the* English eye less "untutored" to the nude, there is more evidently something odd about the lady's drooping posture and out-thrust hip, which gives credibility to a theory that *Leighton began her as a reclin*ing figure, and upended her only as an afterthought.

The sale includes landscapes by Birket Foster, Thomas Creswick, the Shayers, Benjamin Leader, H. J. Boddington and Frederick William Watts, and a good group of Atkinson Grimshaw's atmospheric scenes.

Historical paintings (still a slightly shaky area of the market) include a couple of dressy Maclises of Henry VIII and Anne Boleyn and Francis I with Diane de Poitiers. Genre pictures include a lively study by Eyre Crowe of a rowdy theatre audience "At the Pit Door," and two good paintings by a forgotten Victorian, John Morgan — a realistically depressed group of gypsies returning from work in the fields and a group of street boys pressing around a ginger beer vendor.

JANET MARSH

OVERSEAS NEWS

Plans afoot for Egypt to reschedule debts

BY MICHAEL TINGAY CAIRO, March 5.

DISCUSSION is under way on the mechanics of an international refinancing operation with capital of between $7bn. and $11bn. aimed at the complete rescheduling of Egypt's debts. It was learned here from a highly placed Saudi source.

The principle of a gigantic operation enabling Egypt to wipe clean its financial and economic slate was agreed on during President Sadat's recent tour of Saudi Arabia and the Gulf.

There are two alternative strategies. The first is the setting up of a body using not only Arab funds but financial contributions and expertise from western countries—including Japan—a revitalised and boosted version of the consortium idea mooted last year during the Ford-Sadat Salzburg summit. The second alternative is an international organisation funded by Arab states and administered with the possible help of the World Bank, the International Monetary Fund and private banking expertise.

Access to a fund up to $11bn., which would be repaid by Egypt at nominal interest over periods up to 20 years, would enable Egypt to use its own revenues for imports and investment. Saudi Arabia sees the operation as a decade long programme which will afford a chance to see if Egypt, freed from the debt burden, can manage its economy productively.

Events are already starting to move fast as the whole gamut of concerned parties, examine their possible roles. IMF director Mr. Johannes Witteveen is due in Cairo for talks on March 9, and Mr. Robert McNamara, President of the World Bank, is due to follow at a later date, according to a senior Egyptian official source.

Mr. William Simon, U.S. Secretary of the Treasury, is currently holding talks in Luxor in Upper Egypt. Mr. Mamdouh Salem, Egypt's Prime Minister, is due to leave in a few days for another tour of Arab states to follow up the refinancing plan, official sources said. President Sadat to-day was due to meet again Mr. David Rockefeller, head of Chase Manhattan, and banking sources confirmed that the Egyptian leader wants his banking friend to participate in the refinancing programme.

The $7bn. and $11bn. figures equate with various levels of repayment of Egypt's Soviet debts and the abandonment of short term commercial bank and supplier credit facilities.

Egypt's debts to the Soviet Union were said recently to be £E2.7bn. of which less than £E2bn. were military—less than had been speculated. Non-Soviet debts were revealed in the national assembly as £E2.8bn.

The Saudi source explained: "The idea is to pay off all their debts so they can use revenues from the Suez Canal, tourism, the cotton crop and oil exports to pay for their wheat imports and invest in the economy. Saudi Arabia does not want to be the sole contributor. It is in the interests of many countries, definitely including America, to have a strong Egypt. The only parties not interested in a strong Egypt are Israel, perhaps the Russians and at the moment the Syrians."

THE FORD Administration has decided not to press for a wide-ranging military sales agreement with Egypt before the November election. It will content itself with asking Congress for authorisation to sell six C-130 military transport aircraft, Jurek Martin reports from Washington.

This was confirmed to-day by Mr. Joseph Sisco, the Under-Secretary of State, in the course of Congressional testimony. Only yesterday a number of administration officials, including Mr. Donald Rumsfeld, the Defence Secretary, had confirmed that negotiations covering a large military sales deal with Egypt were under way.

Israel has objected strenuously to any such arrangement and the powerful Israeli lobby Capitol Hill was gathering its forces to block the proposal if it came to the Congress for authorisation.

More violence in Lebanon raises ceasefire doubts

BY IHSAN HIJAZI BEIRUT, March 5.

STEEL-HELMETED Lebanese and Palestinian soldiers patrolled the streets here to-day in a tension-charged atmosphere following more violence in the northern part of the country.

Firing has recurred between Moslems and Christians around the predominantly Christian town of Al Qobayat in the district of Akkar near Lebanon's northern border with Syria. One man from the town was killed, bringing up to four the number of victims since the trouble began yesterday.

Although the deterioration in the area has been checked by a joint force of Lebanese and Palestinian troops, tension remained high and has spilled to the Christian stronghold of Jounieh and the nearby military base of Serba about ten miles north of Beirut.

Soldiers from Al Qobayat joined armed civilians in setting up road-blocks and kidnapping a number of Moslems. About 200 soldiers insisted in being taken north by helicopter to defend their town.

Certain newspapers described the incident to-day as a mutiny, an impression strengthened by reports that Moslem army deserters took part in the attack on Al Qobayat.

These deserters, led by a Lt. Ahmed Al Khatib, have set up their own military force and called it "The Lebanese Arab Army." They are mainly centred in the Bekaa Valley in the east and in the north. Lt. Al Khatib and his followers, believed to number about 600, have so far refused offers to rejoin their ranks.

The mutiny by Christian soldiers in Serba complicated matters on the day when new security measures were to go into effect. The measures, decided by the Higher Military Committee (made up of Lebanese, Syrian and Palestinian officers), entailed the stationing of Lebanese troops in predominantly Christian areas and units of the Palestine Liberation Army in predominantly Moslem districts.

While the PLA appeared in force in its areas, Christian militiamen this morning set up road blocks in their own districts and told motorists not to drive to work for fear of being kidnapped by Moslems.

The tension has been described as the worst since the Syrian-negotiated ceasefire went into effect some six weeks ago. It raised a big question mark on the fate of the "Pax Syriana" in Lebanon.

Observers here blamed the recurrence of violence on political stagnation arising from failure so far to bring about a cabinet of national reconciliation. A Syrian mediation team under Foreign Minister Abdel Halim Khaddam, interrupted its mission a week ago and returned home after sharp disagreements among Lebanese politicians obstructed the formation of the new cabinet.

An adviser to President Suleiman Franjieh visited Damascus to-day to inform Syrian leaders about latest moves for softening up the positions of politicians on the proposed government.

The adviser, Dr. Lucien Dahdah, carried a message from President Franjieh to President Hafez Al Assad. Syrian leaders were reported to have insisted on the formation of the new Lebanese cabinet before President Al Assad goes to France on March 15. They threatened otherwise to discontinue the Syrian mediation altogether, it was reported.

Polyansky dropped in Politburo election

By Moira Cunynghame MOSCOW, March 5.

THE SOVIET Party Congress ended to-day with the re-election of the whole Politburo except for Mr. Dimitry Polyansky, the Minister of Agriculture. Foreign Communist sources said, however, that a large number of the 290 members of the Central Committee, which elect the Politburo, also crossed out President Nikolai Podgorny's name on their ballot sheets and that they expect that he will be replaced within a year. Foreign delegations to the Congress were barred from the voting session, but the sources seemed sure of their information.

The Agriculture Ministry was criticised by many speakers at the Congress, and Mr. Polyansky is obviously being blamed personally for last year's disastrous harvest. Mr. Polyansky, once considered to have great prospects, was appointed Minister of Agriculture, a post he still holds, after the last very bad harvest three years ago which led to the removal of the then Minister. The task of making agriculture a success is so great that many saw Mr. Polyansky's appointment to the post as the beginning of his political downfall.

Two former cabinet members of the Politburo, Grigory Romanov and Dimitry Ustinov, were made full members. The Politburo now has 16 members with an average age of 66. Mr. Romanov, the party's Chief of Leningrad where he is said to be relatively popular, is 52 and the youngest member. Mr. Ustinov is 68, and has been responsible for heavy industry and the military industrial complex. Little is known about him as he has not had any real contact with foreigners, but he is considered an important figure and is often named as a possible nominee for one of the top posts.

The party secretary of Azerbaijan, Geider Aliyev, was elected a candidate member of the Politburo. The six candidate members are non-voting members, and it is from their rank that future members are elected. Mr. Aliyev was formerly the KGB chief in Azerbaijan, and as party chief has carried out an extensive drive against corruption. His election means that the Caucasian republic is now represented in the Politburo as well as the Baltic republic, the Ukraine, Byelorussia and the Central Asian republic.

Church joins giant Basque protest

BY ROGER MATTHEWS VITORIA, March 5.

THE ROMAN Catholic Church, once one of the bastions of authoritarian rule in Spain, to-day joined the mass of the population in the northern town of Vitoria in condemning the police for killing three workers here on Wednesday.

The entire city was shut for the third consecutive day as tens of thousands attended the funeral of the three young men and then carried the coffins on their shoulders to the Civil governor's office where they marched in moments of extreme tension past the many hundreds of riot police and machine gun carrying Guardia Civil drawn up in front of the building.

"To-day you are either a policeman or one of the people. There is no third way," said an old man as the crowds, two fingers raised to the police, streamed in their thousands behind the coffins to the cemetery.

In Madrid the Government met to discuss the situation, aware of calls for a general strike throughout the Basque provinces on Monday and reports of further clashes between demonstrators and riot police in the major towns of Bilbao and Pamplona. Workers' leaders in Vitoria refused to countenance a return to work unless justice is promised for the police who opened fire here this week.

The entire clergy of the diocese of Vitoria, with the blessing of the Bishop, contributed to the homily read at to-day's funeral service in the Cathedral. The church was packed with over 4,000 people with another 15,000 or more waiting outside, who in moments of high emotion applauded the arrival of the coffins and punctuated the reading of the sermon with further frequent bursts of clapping.

The Roman Catholic church demanded full legal action against the police who had been responsible for the shooting, and compensation for the many victims.

Four of the more than 100 people who were injured on Wednesday remain critically ill. Outside the church into which police launched tear gas and where the three young men were killed, groups stand around throughout the day looking at the marks of violence including the pools of dried blood in which someone has written "Justice."

No one knows what the Government response will be, but at least in Vitoria and probably in most of the four populous Basque provinces, the task of the regime in persuading the public that it means to undertake genuine reforms seems to have totally foundered.

French wine region tense

BY ROBERT MAUTHNER PARIS, March 5.

THE LANGUEDOC wine growing region in southern France, where a police officer and a demonstrator were killed yesterday in a 30-minute gun battle, remained tense to-day after more than 2,000 riot police reinforcements equipped with armoured vehicles were sent in by the Interior Minister, M. Michel Poniatowski.

However, there was no repetition to-day of yesterday's bloody clash and only a few incidents were reported. A tax office was sacked and bombed at St. Chinian, north of Narbonne, and some roads continued to be blocked by the wine growers, whose discontent over cheap Italian wine imports reached fever point when five of their number were arrested in eastern France.

The release on bail to-day of two of the detained men—the other three were freed earlier this week—has gone some way to take the heat out of the situation. It was their arrest, on suspicion of having taken part in the sacking of a wine depot owned by one of the country's biggest traders in Italian wines, which was the immediate cause of the outbreak of violence.

Much depends now on the outcome of the negotiations between Common Market Agriculture Ministers in Brussels on new wine market regulations. If the arrangements prove to be satisfactory the unrest in the Languedoc region can be expected to die down rapidly. But if, as has been the case so often in the past, the wine growers consider them to be inadequate, further violence will be difficult to avoid.

OECD prices rise faster

Inflation took a sharp upward turn throughout the OECD member states in January, partly due to widespread public sector price increases, but also to the influence of strengthening commodity prices since late 1975, Rupert Cornwell reports from Paris.

According to statistics released by the organisation yesterday, the rise in consumer prices in the 24-nation area jumped to 0.8 per cent. in January from 0.5 per cent. in December. The annual rate in Britain fell slightly to 23.4 per cent.

Sauvagnargues visit

M. Jean Sauvagnargues, the French Foreign Minister, will visit London for talks with Mr. James Callaghan, the Foreign Secretary, on March 18, Malcolm Rutherford writes. The talks are likely to concentrate on the preparations for the next session of the European Council in Luxembourg on April 1-2. They will also look forward to the state visit to Britain by President Giscard d'Estaing on June 22-25.

Malaysian reshuffle

The Malaysian Agriculture Minister, Mr. Ghafar Baba, the most senior man in the ruling UMNO party after Prime Minister Datuk Hussein Onn, has left the Government after losing to the Education Minister, Dr. Mahathir for the crucial job as Deputy Prime Minister, in a Cabinet reshuffle, our Kuala Lumpur correspondent reports. Tengku Razaleigh, the head of the national oil corporation, Petronas, is the new Finance Minister.

Golda returns

Mrs. Golda Meir, the former Israeli Prime Minister, has agreed to join her successor, Mr. Yitzhak Rabin, on a new "executive forum" to revive the flagging organisation of the ruling Labour Party, our Tel Aviv correspondent writes.

Poseidon charge

Former Poseidon chairman, Mr. Norman Shierlaw, was charged in the Adelaide magistrates' court with not producing books, accounts and securities when required by an auditor, Reuter reports.

Lisbon release

Portuguese workers in the U.S. owned Firestone tyre factory near Lisbon have released two American managers they had held for four days, a spokesman for the plants workers' committee said yesterday, Reuter reports.

Exxon to pilot laser project

BY DAVID FISHLOCK, SCIENCE EDITOR

EXXON Nuclear, the nuclear fuels arm of Exxon, has applied for permission to build a pilot plant for the enrichment of uranium by lasers.

Exxon is planning to spend about $15m. in a joint venture with the Avco Corporation to test a novel enrichment technology the two companies first patented in 1970. In a statement yesterday Exxon expected to start construction early next year, on a site near Richland, Washington State, and operation in 1978-79.

Enrichment, the process of increasing the fissile uranium-235 component of natural uranium from 0.7 to 2 or 3 per cent., accounts for about one-third of the cost of nuclear fuel. The potential attraction of the laser process is that it may prove much less expensive to install, and even to operate, than the gas centrifuge process now accepted as the most promising commercial prospect for the 1980s.

Where the gas centrifuge method depends crucially on exceptionally high standards of mechanical engineering, success with the laser appears to rest with powerful and finely tuned lasers and advanced electronic controls.

The key to success with the laser route is highly selective excitation of the fissile uranium-235 atoms, so that these excited atoms can be cleanly separated from the more abundant but non-fissile uranium-238 atoms.

Britain, which is currently investing over £30m. a year at Capenhurst, Cheshire, in production capacity for the gas centrifuge process, recently began a research programme at Harwell on laser enrichment.

In the U.S., Exxon and Avco established a joint company to develop the technology in 1972. Mr. Raymond L. Dickeman, president of Exxon Nuclear, says progress is "highly promising" but acknowledges that "the ultimate practising feasibility and economies of the technique remain to be fully defined and demonstrated."

Dr. A. R. Kantrowitz, chairman of Avco Everett Research Laboratories, said yesterday: "We are quite encouraged by the result of our work. All basic technical go-no-go issues have been resolved so far. If our scale-up programme continues to yield favourable results, we believe laser isotope separation eventually could make an important contribution toward assuring adequate supplies of enriched uranium at lower cost and increased efficiency."

Swedish Thistle deal off

BY WILLIAM DULLFORCE STOCKHOLM, March 5.

SVENSKA PETROLEUM (SP), the Swedish State-owned oil company, will not go ahead with its plan to buy a share of the Thistle field on the British North Sea continental shelf, it is understood here. The government has declined to give the necessary guarantees, partly because of taxation problems involved in the deal with the U.S. Santa Fe International Corporation, from which SP was to have bought a share of the field, and partly because of policy differences among government agencies.

SP, formed as a subsidiary of LKAB, the State mining company, signed a letter of intent in December to buy a share of just over 5 per cent. in Thistle from Santa Fe, which has a 20.5 per cent. holding. Other concessionaires are Burmah, the operator, and Deminex, the West German oil consortium.

SP planned to raise over Kr.500m. (£57m.) in loans on the international money market to finance some 10 per cent. of the investment budget for the Thistle field. The Swedish government was to guarantee the loans under the parliamentary authority it obtained last year to offer guarantees to a total of Kr.2bn.

U.S. jobless lowest for 15 months

BY JUREK MARTIN, U.S. EDITOR WASHINGTON, March 5.

UNEMPLOYMENT in the U.S. fell a further 0.2 per cent. to 7.6 per cent. last month. This is the lowest level in 14 months. Those at work now total 86.3m. —the same as the pre-recession level of July, 1974.

The improvement in the economic picture, which also saw a sharp decline in wholesale prices yesterday, may persuade the Administration to revise some of its economic estimates.

Mr. Alan Greenspan, chairman of the President's council of economic advisers, said in an interview that if the favourable trend continued for a few more weeks a revision might be necessary.

The recovery was still in its early, moderate phase, but it was likely to grow much stronger at the end of the year, he said.

He suggested that unemployment could drop below 7 per cent. by the end of the year—the most optimistic official projection so far.

This, of course, is good economic news and therefore useful political ammunition for President Ford in his election drive and principally for this reason, the statistics are not going unchallenged

To-day, the main trade union organisation, the AFL-CIO, which does not normally take kindly to a Republican Administration, launched a counter-attack, claiming that the unemployment figures were nothing less than statistical gimmickry.

It said that the January jobless rate, far from being the official 7.8 per cent., was in reality 11.5 per cent. This reflected the 1m. workers who were no longer even looking for jobs and half the country's 3.7m. part-time workers, on the assumption that the latter were partly unemployed.

Carter preaches in the heart of Wallace country

BY DAVID BELL ST. PETERSBURG, March 5.

BROOKSVILLE, FLORIDA, has no claim to fame. Its main street, red-bricked courthouse and straggling shops make it indistinguishable from thousands of similar small towns across the United State. In 1972 it was Wallace country, but this week it is flirting with Jimmy Carter.

Two sleek Greyhound buses escorted by state police and secret service agents almost over-ran the main street. The group of bedraggled journalists who have been accompanying Mr. Carter since his victory in New Hampshire follow him on his quick tour around the town. The court house steps provide a natural platform and Mr. Carter, his smile belying his own exhaustion, makes the speech that the watching reporters have heard countless times.

This speech, delivered in a soft voice that rises and falls like that of a southern preacher, is the key to any understanding of Jimmy Carter, the peanut farmer and former governor of Georgia. He has come further, faster than any other candidate this year, after Senator Henry Jackson's unexpected victory in Massachusetts he is now having to fight hard to stay in front. Unless he can do much better than Jackson and keep up with Wallace, who won Florida in 1972, his campaign will almost certainly start to run out of steam.

Although Mr. Carter privately concedes this, his speech still makes no reference to Wallace or Jackson. It is courteous and low key, but, if he has sensed the mood of America as accurately as he thinks he has, it is the speech that could still win him the Democratic presidential nomination in New York in July.

America's virtue, he says, is still intact but the people are confused by the catalogue of disasters of the past ten years. They are uneasy about the overweening size of the federal bureaucracy, about the secrecy and double standards of politicians in high places and about the war of attrition between president and Congress. The Government, he tells his attentive audience, is not functioning properly because it has lost touch with people like them whose preoccupations are the same whether they live in New Hampshire or Iowa or Brooksville.

Despite the smile and the sophisticated rhetoric he does not dodge the issues. He is compassionate and believes, and tells his Wallace audience so, that "the passing of the Civil Rights Act is the best thing to have happened in my lifetime."

$1bn. boost for N.Y. State

BY GUY DE JONQUIERES NEW YORK, March 5.

ELEVEN large New York City banks have tentatively agreed to buy $1bn. of new short-term notes to be issued by New York State for their own portfolios next spring, according to State officials.

This commitment in principle, which is conditional on the resolution of a number of legal and other problems, represents a major advance in the State's efforts to regain investor confidence. The State has been frozen out of the public debt markets since last autumn because of concern about its decision to aid New York City and about financial difficulties incurred by four of its construction agencies.

Altogether, the State needs to raise $4.6bn., between now and the end of March 1977, when its fiscal year ends. Officials say that about $1.9bn. of this can be financed through securities purchases by State Pension funds and other internal sources. If the banks stand by their tentative agreement, the State would have to market about $1.8bn. through note offerings to the general public.

By going through with their agreement, the banks would greatly increase the value of their holdings of State debt, which amounted to about $625m. at the end of last year and which have probably declined since then. One condition on which they are insisting is that the Federal Reserve Board promises that it will not classify their holding of State debt as dubious assets.

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SATURDAY, MARCH 6, 1976

Uncertainly to the Budget

IN A WEEK during which neither the gilt-edged nor the industrial market has shown a decisive trend, there have been three main topics of business discussion—the increasing signs that the U.K. economy is turning the corner, at least as far as output is concerned: the differing proposals being put forward to the Chancellor about the shape of his Budget and about matters, like the wage norm to be recommended by the TUC for the next stage of incomes policy and the future of the Price Code, which are intimately related to the Budget; and the likelihood of a continued fall in interest rates when the U.S. downward movement has become less assured and a new flurry in the foreign exchange markets has sent the sterling/dollar rate down below $2.

Signs of increased business optimism have become visible both in the latest FT and the latest monthly CBI survey of business opinion. In both cases the improvement is based on the trend of orders. The FT survey suggests that this increase is due mainly to exports or to the end of de-stocking at home. The CBI survey also shows an encouraging rise in export orders and less de-stocking at home, but suggests that capital goods as well as consumer goods industries are beginning to feel the benefit. Output is expected to rise well over the next four months.

Price code

The TUC recommendations to the Chancellor about his Budget follow those of the CBI and are, as might have been expected, completely different. Although it is against a consumer-led boom, the TUC nevertheless wants the Government to inject almost £2bn. into the economy—principally by way of higher pensions, adjustments to tax allowances, some selective cuts in the higher rate of VAT and new help from the National Enterprise Board to assist capital investment and stock-building of at least £250m. during the coming financial year. The aim of the TUC is to bring down the level of unemployment to 600,000 by 1978, and its Budget proposals are essentially complementary to its suggested programme of selective import controls.

Although the Chancellor has offered to relate the amount by which he cuts tax in the Budget to the degree of voluntary wage restraint which the unions are willing to accept after the present stage of incomes policy runs out in the summer, he is unlikely to accept either the TUC recommendations (or the assumptions on which they are based), since his overriding aim is still to bring down the level of inflation. It will be interesting to see how he contrives in practice to tie up tax concessions and incomes policy in the same parcel. In the meantime, there seems at least a chance that some agreement will be reached on relaxation of the profits and prices code.

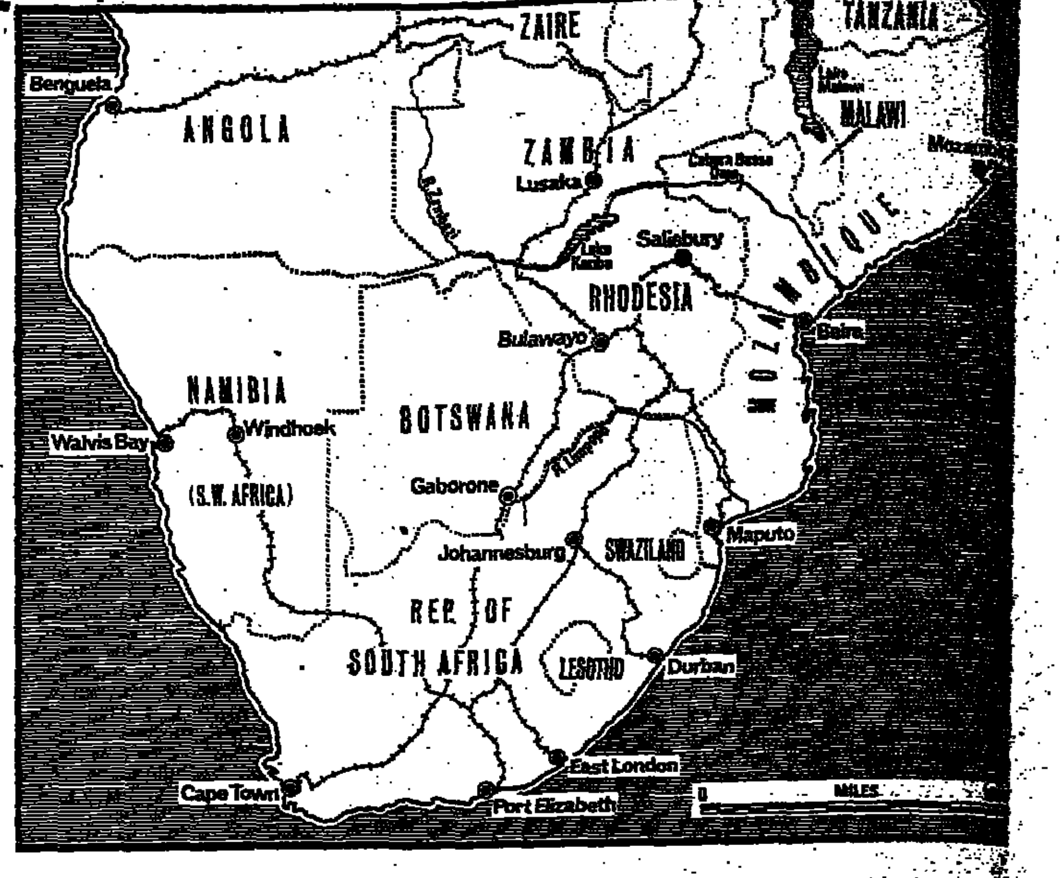
Pound weaker

The CBI hinted in its Budget representations to the Chancellor that it might be willing to make some concession in this field if it were necessary to bring about reasonable wage restraint. The TUC professed its readiness to consider modification of any element in the control system which was demonstrably holding up expansion. At Wednesday's meeting of the NEDC, where this question was specifically discussed, Mrs. Williams confirmed the feeling that there was room for some kind of compromise deal—though the TUC seems still to suppose that profits are good only if re-invested.

Finally, there is the currency upset and the movement of interest rates. The weakness of the pound this week has been most marked against the U.S. dollar, which is strong against other currencies in general at present, but the weighted depreciation against all currencies is also worst yet. One might have supposed that this weakness—which must be partly due to the Government's inability to cut public expenditure rapidly enough as well as to deliberate policy—would prevent a further drop in interest rates. In fact, MLR fell by a further ¼ per cent. yesterday and it was clearly policy that produced this result. Other factors apart, pressure on building societies to cut their rates is now becoming intense. The relative popularity of the Government at the moment, shown in the ease with which Labour won the Coventry by-election, would certainly not be harmed by a cut in mortgage rates.

Stewart Dalby, in Johannesburg, analyses South African reaction to Mozambique's closure of its border with Rhodesia and explains why the country has to seek harmony with its neighbours

The choice that Mr. Vorster cannot afford



MR. JOHN VORSTER, the South African Prime Minister, has the inestimable advantage for a politician who is often the bearer of bad news of looking naturally dour and hangdog. But even he seemed more than usually weary when making his statement to Parliament on Thursday on Mozambique's decision to close its border with Rhodesia.

Although bland in the extreme—Mr. Vorster seemed to comment on rather than criticise Mozambique's move—his remarks could not obscure the fact that detente, the master plan for Southern Africa of which he is considered the architect although he has never officially admitted it, has received another serious set-back.

Detente in the African context means nothing less than a grand strategy which would allow the White South African heartland to live in peace as an African nation rather than a European appendage of a hostile black continent.

Economic forces

To achieve it, political accommodation would have to be arranged between Mozambique, Angola, Rhodesia, South West Africa, and even within the Republic itself. This done, the natural economic forces of the region would then cement relations.

The start for this plan came with the collapse of the Caetano regime in Portugal in April 1974. So long as Portugal retained its grasp, however arthritic, on Angola and Mozambique, South Africa did not have to worry too much about its Black neighbours farther north.

With the Portuguese territories in ferment, Mr. Vorster began sending out signals during 1974 to less bellicose African leaders such as President Kenneth Kaunda of Zambia that South Africa wanted to come to terms with the Frelimo leaders in Mozambique. For this to be achieved something had to be done about the ten-year-old dispute in Rhodesia.

It has always been assumed that Mr. Vorster's private view is that a White-dominated Rhodesia is dispensable, and indeed a necessary sacrifice for South Africa's survival. Rhodesia will eventually get a Black Government and South Africa will come to terms with it. That is thought to be Mr. Vorster's own view.

Pressure was therefore brought to bear on Mr. Ian Smith, the Rhodesian Prime Minister, in December 1974. He released Rhodesian nationalists from detention. In 1975 South Africa withdrew the 2,000 police it had in Rhodesia. Independence came for Mozambique in June 1975, and South Africa reached a friendly enough accommodation based on mutual and interlocking economic interest. In November 1975 detente reached its finest moment when Mr. Vorster stood shaking hands at the Victoria Falls with a Black South African leader, Mr. Kaunda.

Then came Angola and Mr. Vorster blundered. By inserting South African regular troops into the three-way civil war in Angola, Mr. Vorster appeared in the eyes of the world as an aggressor. But he was an aggressor with little to gain. He also, at a stroke, managed to destroy the good will he had built up among the friendlier Black African States.

The Angola adventure put détente into abeyance. Given a little more time, Mr. Vorster might have been able to manoeuvre back into his neutral position. But Mozambique's decision to close the Rhodesian border has again put him firmly on the spot. He does not want to alienate President Samora Machel of Mozambique with whom he has worked out a careful accommodation and has joint economic interests such as the 100,000 Mozambique workers in South African mines. Yet Mr. Vorster cannot countenance the idea of sanctions and he cannot completely abandon Mr. Ian Smith.

Were it just the application of sanctions by Mozambique, Mr. Vorster would have a freer hand. But Angola has produced a very strong backlash among the Whites. Over the years White South Africans began to become increasingly indifferent to the fate of their "kith and kin" north of the Limpopo, as Rhodesia seemed to survive under minority rule.

With the successes of the MPLA in Angola that has changed. It is not so much fear of Black nationalists: South Africa itself has virtually no guerilla or terrorist problems, and the banned African Nationalist Council and Pan-African Council seem spent forces. What has worried the South Africans is that the Russians armed a force of Cubans to fight the war in Angola and thereby achieved a major involvement in Southern Africa.

Sophisticated armies

The introduction of sophisticated armies with modern weapons, similar and in some cases even superior to South Africa's, has altered the whole state of play. South Africans see Black guerilla armies as one thing. The Russian involvement they see as something infinitely more threatening.

This fear has induced a feeling of solidarity among South Africans and Rhodesians which is plainly discernible at every level. There is a groundswell that says that Mr. Vorster must do something for "old Smithy" and the 280,000 White Rhodesians.

Before Angola and now Mozambique's decision, Mr. Vorster domestically seemed to be serenely in control. His Nationalist Party, which is solidly supported by the 60 per cent. of the White population which is Afrikaner, holds 123 of the 171 seats in Parliament. He has always had to tack and trim to accommodate the right wing of his party, just as Mr. Harold Wilson has had to accommodate the left wing of his. The right wing of Mr. Vorster's party consists of people who probably should not be in the Nationalist Party, but realise they would lose their seats if they went outside it. They have acted as a brake on Mr. Vorster in his verligte or outward-looking policies. Even so he has become generally recognised as the dominant figure on the political scene.

The new feelings about the Whites in Rhodesia could change that. Should the situation in Rhodesia deteriorate, for example, should guerilla activity intensify and should white families be massacred, then Mr. Vorster could find himself under unbearable pressure to intervene. It is not impossible that the strength of white South African feelings would make his own position vulnerable if he persisted with detente, against the general climate of opinion.

What Mr. Vorster is likely to do soon therefore is to give Mr. Smith something of what he wants.

He will probably allow Mr. Smith to move across South Africa some, if not all, of the estimated 25 to 40 per cent. of his trade which has until now gone through Mozambique, even though it will demonstrate clearly to the world that South Africa is willingly becoming Rhodesia's sole surviving prop and is giving it an economic reprieve.

South African railways have the spare capacity to move Rhodesia's freight, which probably amounts to 8m. tons. The Republic's ports have suffered from congestion, but with the current economic recession they can also probably handle the traffic.

But it is almost certain that Mr. Vorster will strike a hard bargain with Mr. Smith for bailing him out. He will bring as much pressure as he can muster on Mr. Smith to reach a settlement with the Black Rhodesians.

A failure to reach a settlement could in the very least, set off a chain reaction which could unravel the external aspects of detente and would have severe internal repercussions in South Africa.

Recognition withdrawn

For a start, a severe strain would be put on the Republic's relations with countries like Malawi and Mozambique. Mozambique, apart from having 100,000 workers in the Republic, also plays host to the Rand500m. (£284m.) Cabora Bassa hydro-electric scheme which is South African and Portuguese financed. It also has on loan rolling stock from South Africa for its railways. The tie-up with South Africa would seem mainly to the benefit of Mozambique, since it derives Rand100m. (£57m.) from South Africa in revenue from the workers' wages. But it should be remembered that South Africa has an acute labour shortage and is in need of the Mozambique workers.

Apart from this, South Africa ships a considerable amount of its goods from the industrial heartland or Reef through the port of Maputo and would be unhappy to lose this link.

Additionally, there is the problem of South West Africa (Namibia). In a series of increasingly vociferous resolutions the UN has demanded that South Africa grant South West Africa its independence. Mr. Vorster has said that the territory shall indeed have its independence, although he has not said when.

However, the Constitutional Conference which is currently meeting in the territory's capital, Windhoek, has become bogged down in procedural irrelevancies. The main political party, SWAPO (the South West African Peoples Organisation) has been excluded from the talks, and its external wing which claims to have 4,500 men under arms is becoming increasingly belligerent and says it will step up the guerilla war. There is a real possibility therefore of another Rhodesia situation developing in the territory with only the South African army to keep the 100,000 Whites safe.

This battery of external problems to be faced has if anything slowed down the progress being made in eliminating some of the more pernicious aspects of apartheid. Central to the Government's plan for the country's progress is the Bantustan or homelands scheme which means separate development for Whites and Blacks. Only one of the 11 proposed Bantustans, however, looks like going its own way. This is the Transkei which is to gain independence this October. The other homeland leaders feel they are not getting a fair deal from the Government, and wonder if there is any point in going independent if White-dominated industry is not going to be encouraged to set up in the Bantus.

Petty apartheid continues to be broken down. "International" hotels are now allowed to serve both Whites and Blacks, the notorious pass laws ... intact with no sign that ... will be abolished.

If the worst happens ... Rhodesia slides into a race ... then it is difficult to see ... Mr. Vorster will be able to avoid sending troops to Smith's aid. On paper he ... afford to do so. South Africa can muster an army of 10... Whites with comparative ... and at a pinch could ... together a standing force ... 200,000.

It is, in theory, more than a match for the alleged ... guerillas poised to strike Rhodesia and could prob... see off the Cubans in An... as well, despite South Af... alleged poor perform... against the Cubans in ... Angolan war. But that is ... really the point.

Dislocation in the economy

South Africa spends under 5 per cent. of its G... National Product on defence, around 13 per cent. of ... budget. Any substantial in... crease would cause serious dis... location in the economy... must be remembered that ... Africa is not under the ... umbrella either economically ... militarily, unlike Israel.

South Africa is a sophisticated economy which for better ... worse is run and managed ... the 4.5m. White minority. I... a mining, manufacturing ... commodity producing econ... with exports accounting for ... per cent. of GNP.

How long could the cou... afford to have the young Wh... who have the expertise ... know-how to run the econ... drained off into the ar... South Africa's ability for ... tary adventures is finite. ... other words it cannot affor... the long term to have war ... even a series of low keyed ... surgencies along the thous... of miles of borders it sh... with Black Africa. South Af... has to convince Black Afric... let it live in harmony.

War in Rhodesia particul... would be the first fatal ... towards the alternative ... Mr. Vorster was talking ... when in one of the most ... used phrases in Africa he ... that detente must be res... because the alternative is ... ghastly to contemplate.

Letters to the Editor

Transfer tax

From Mr. R. A. Eve

Sir,—In no way do I condone capital transfer tax, any more than any other tax. I sympathise profoundly with Mr. Rowen's problems (February 27), but his problems are similar to those of all taxpayers. I do suggest that Mr. Rowen and the other correspondents attacking CTT do plead special cases, and that is only too easy to do whether it be a minor or a majority shareholder.

Owners of businesses (or farms) do have options open to them in the structuring of their shareholdings, and any good accountant or lawyer can reduce the impact of this egalitarian legislation quite simply.

On another note, however, I would suggest that the continued same ownership of a company (business or farm) does not of itself benefit the employers or the company itself. Clogs to clogs in three generations has more than a grain of truth in it, in which case Mr. Rowen's grandson may well wish that his christening spanner had been made of tempered steel, rather than silver.

May I also dig gently at the other Mr. Rowens of this world in that they as proprietors in common with all those fortunate enough to be taxed under Schedule D, have opportunities to minimise their current tax bills in a way not available to people like myself on Schedule E. Indeed, it could be argued that CTT in their case is only deferred income tax.

R. A. Eve.
Aldersmead, Shepherds Hill, Merstham, Surrey.

Credit cards

From The Editor, Common Market Law Reports.

Sir,—Mr. Hershman (February 26) would have a point in asking for a discount for cash customers in a shop which accepted credit cards if the position were as simple as he implies. For, to be sure, shops do pay a fee to the credit card companies which they must recoup somehow.

The same applies if payment is made by cheque, where on top of the bank charges there is the delay in clearance of the cheque and indeed loss from bounced cheques. Even if payment is made by hard cash there are hidden costs. For totting up the takings is more time-consuming, banking coin and notes is more bothersome, and cash in hand is a crime risk for which there is both an insurance cost and a social cost.

There is indeed much to be said for the view that credit cards are more economical than other forms of payment, if all these considerations are taken into account.

Neville March Hunnings.
43, Fleet Street, E.C.4.

Get the mix right

From Mr. P. Knocker

Sir,—In your issue of February 26 you commented on the views of Mr. Egon Ronay and Mr. Christopher Driver of the Good Food Guide about the hard times that have hit the catering industry.

I am sure that these gentlemen are well intentioned, but cannot help feeling they would better serve the industry and consumers if they concentrated less on the exclusive gastronomic havens (where Mr. Ronay has observed that people are cutting out the brandy and cigars), and took a closer look at restaurants trying to meet the needs of the many who want to eat out but cannot find the same choice of places offering quality and value which are available on the Continent and in the United States. Mr. Christopher Driver has included in his guide a quick look at pubs, but seems surprised that they reflect the breweries' almost total lack of interest or understanding of food service and the generally unsuitable nature of many of these establishments for preparing or serving food.

The catering industry spends a lot of time making representations about rising costs, shortage of staff and customers not eating out so frequently—but what are they doing about it, and is their "product" relevant to the needs of the market today? In my restaurant operation turnover in January (not the best month), is up by over 25 per cent. on the same period last year, the number of covers is up by 15 per cent., we have a reliable and stable staff situation in spite of an intensive two-shift, seven days a week 362 days a year operation. But we do have a unique product "mix" and we have adopted the well-proven Marks and Spencer approach to management attitude, training and involvement as well as the service that we offer to our customers. There is no shortage of customers willing and able to eat out more and more often, if you take the trouble to find out what they want and provide value through efficiency.

Paul Knocker,
Ivy Farm, Sicanbourne, Nr. Bletchley, Bucks.

Personnel policy

From Mr. N. Finegan

Sir,—The Department of Employment survey of strikes says that "investment in skilled personnel management could lead to a reduction in disputes." If the personnel function is tagged on to an organisation and given the task of recruitment and dealing with the unions, it is highly unlikely it will achieve any real success however skilled it is.

A personnel policy should be designed to assist in the achievement of a company's overall objectives by promoting the most effective use of the human resources available. The responsibility for carrying out this policy must rest with all the members of management and supervision and not just with the personnel staff. The skilled personnel manager will ensure that such policies are constructive and forward-looking, and they are carried out with fairness and to the best of their ability by the line managers. Where there are deficiencies, the personnel manager will help the line managers acquire these skills.

The formal negotiation on major matters which are carried out by the personnel managers are usually associated with substantive issues on which there is a Board policy, for example, wages or general conditions of employment. Companies need to be conscious that there is little point in having personnel specialists employed unless they are sufficiently weighty to influence Board policy on industrial relations and then monitor its execution. In such circumstances investment in skilled personnel management will undoubtedly pay off in a reduction in disputes.

Noel Finegan
31, Helston Road, Chelmsford, Essex.

Scope in Denmark

From Mr. G. Lefevre.

Sir,—One cannot help wondering if British companies are ill-informed, slow on the uptake or simply not interested in profits. Opportunities abound in Denmark for companies with imagination to take advantage of high profit margins enjoyed by trading companies. Gross profit margins of 50 per cent. on sales are not uncommon at the retail level and 30 per cent. wholesale.

When this is coupled with tax regulations which permit the creation of tax-free reserves year after year out of profits, trading companies in effect pay little or no taxes giving an exceptional return to shareholders. For despite a tax rate of 36 per cent. few Danish companies pay taxes at all, thanks to the odd rules.

Thus within an international group the advantages of trading with Europe via Denmark are enormous. Not only can liquidity be conserved and re-invested by saving taxes but external taxes to the U.K. can bring down the overall rates applicable to consolidated U.K. earnings. And all this with substantially higher margins.

Tiny Denmark is also currently enjoying the biggest sales boom ever from cars to TVs. Yet where is the British entrepreneur?

G. E. G. Lefevre.
Vejlesovej 35A, 2840 Holte, Denmark.

Exports

From Mr. R. B. Barnes.

Sir,—Everyone concerned with Britain's exports and, therefore, with Britain's future prosperity, will have been encouraged by the welcome, if belated, comments by the Chancellor about the importance of the country's manufacturing industries.

For a number of years not nearly enough has been heard about the need to develop our export trade. Yet it is on this above all else that our future survival depends. The time is overdue for a massive export campaign. Why not plan now to turn 1977 into "Make it and Export it Year"?

During my time as chairman of a local export association to which 60 firms belonged I became acutely aware of the fact that countless export opportunities were being lost simply because of the number of manufacturers who did not understand export administration procedure. Indeed, so complex is the procedure that hundreds of small firms up and down the country are frightened even to attempt to enter the export field.

I am convinced that if the experiment I have started in Kent—the establishment of a single unit to cater for all the problems of export administration—were to be taken up by others and thus applied nationally, manufacturers' distribution costs could be halved and the country's exports could be increased by no less than 60 per cent.

R. B. Barnes,
Director, R. B. Barnes (Exports Administration) Ltd.,
Industrial Estate, Sandwich, Kent.

Textile imports

From Mr. N. A. Bilitch.

Sir,—The Chairman of the Textile Industry Support Campaign, Mr. John G. Bridge, along with the National Farmers Union, car manufacturers, motor cycle workers, producers of television tubes etc., have this in common, that, but for the predatory commercial behaviour of the foreigner, their industries would thrive, and we, the 50m.-plus consumers of Britain would be best served by Government intervention on behalf of the aforementioned vested interests whose motto is "The customer is always wrong," and who demand as a right a "fair" price for their products.

Mr. Bridge states (February 19) "... that, given the right environment, we would invest our own capital." In plain English what he is saying is, that if only the Government would raise tariffs beyond the reach of the foreigner (with severe import controls thrown in for good measure) his industry would have a captive market where prices to the consumer would be dictated by a cartel of textile producers.

By far the greater volume of textiles from the Far East come from Hong Kong. My investigations show average wages to be between £20 to £23 per week. Mr. Bridge asserts that U.K. wages in the textile industry are some "ten or 12 times greater than those of our Far East competitors" ergo, U.K. textile workers are earning some £200-£276 per week. No wonder his industry cannot compete.

N. A. Bilitch.
6, Rusholme Road, S.W.15.

Part-time directors

From Mr. S. W. Penwill

Sir,—Mr. L. E. Smith of BOC International, among other opinions expressed on the subject of non-executive directors, infers that such directors, unless they can devote 25 per cent. of their time to the affairs of a company, serve no useful purpose. If indeed he has found this so then as chairman he must hold himself partly to blame for not having involved the part-timers more deeply in the company's affairs.

While the day of the director who merely attended Board meetings, usually without any pre-knowledge of the matters to be discussed, is over, or at least is now a rarity, there is good work to be done by the specialised outsider, who can often see more than the full time executive who often is so immersed in detail that he cannot see the wood for the trees.

A good chairman will involve the part-time non-executive director at every opportunity, keeping him abreast of affairs with regular reports and referring to him, not only over the Board table but at every relevant opportunity.

In reverse, no one should accept the office of part-time non-executive director unless he is willing thoroughly to involve himself in the affairs of the company.

S. W. Penwill.
158, Fenchurch Street, E.C.3.

صورة من الأصل

The telephone rings up a century

BY CHRISTOPHER LORENZ

ONE HUNDRED years ago tomorrow, Alexander Graham Bell was granted a patent on his new invention, the telephone. Three days later, on March 10, 1876, came the historic moment in his laboratory in Boston, Massachusetts, when he spilled acid on his trousers and in a state of some disarray shouted to his assistant: "Mr. Watson, come here, I want you."

History does not record whether Mr. Watson's prompt appearance at his master's side was due to excitement at this first successful transmission of intelligible speech or stemmed merely from obedience. But it was the same sort of message which over the past century has caused many an employee to curse the telephone for disturbing his peace or concentration.

Just a year later, a public telephone service began in the U.S. Loyal to the nation from which he had emigrated only seven years before, Bell returned to Britain in 1877 and offered to demonstrate the telephone to the U.K. Government. But, in a classic example of inflexible monopoly, the Engineer-in-chief of the Post Office said it had no chance against his organisation's telegraph system, which was already in widespread use. Less than a year later, private enterprise in the form of the Telephone Company seized upon the invention.

In 1880 the company merged with Edison's telephone company (which had better transmitter—or microphone—technology). The combined operation grew by leaps and bounds until the Post Office had second thoughts, began to compete, and in 1912 took it into its monopoly embrace.

Since that hectic week in Boston 100 years ago, a worldwide telecommunications network of nearly 350m. telephones has been constructed. Innovation has, indeed, accelerated with the coming of new technology in cables, satellites and, in particular, micro-electronic components but to the general public the telephone (with all its faults) has long been taken for granted as a part of every-day life. Yet it has arguably had a much greater impact on the structure of modern societies and economies than the more-publicised motor car. After all, the car simply shortened the time needed to go from one place to another, whereas the telephone put people in almost instantaneous contact with each other, first within national boundaries and then right across the world.

It is also one of the few inventions about which an opera was written—BBC radio will be broadcasting Gian Carlo Menotti's *The Telephone* on Thursday.

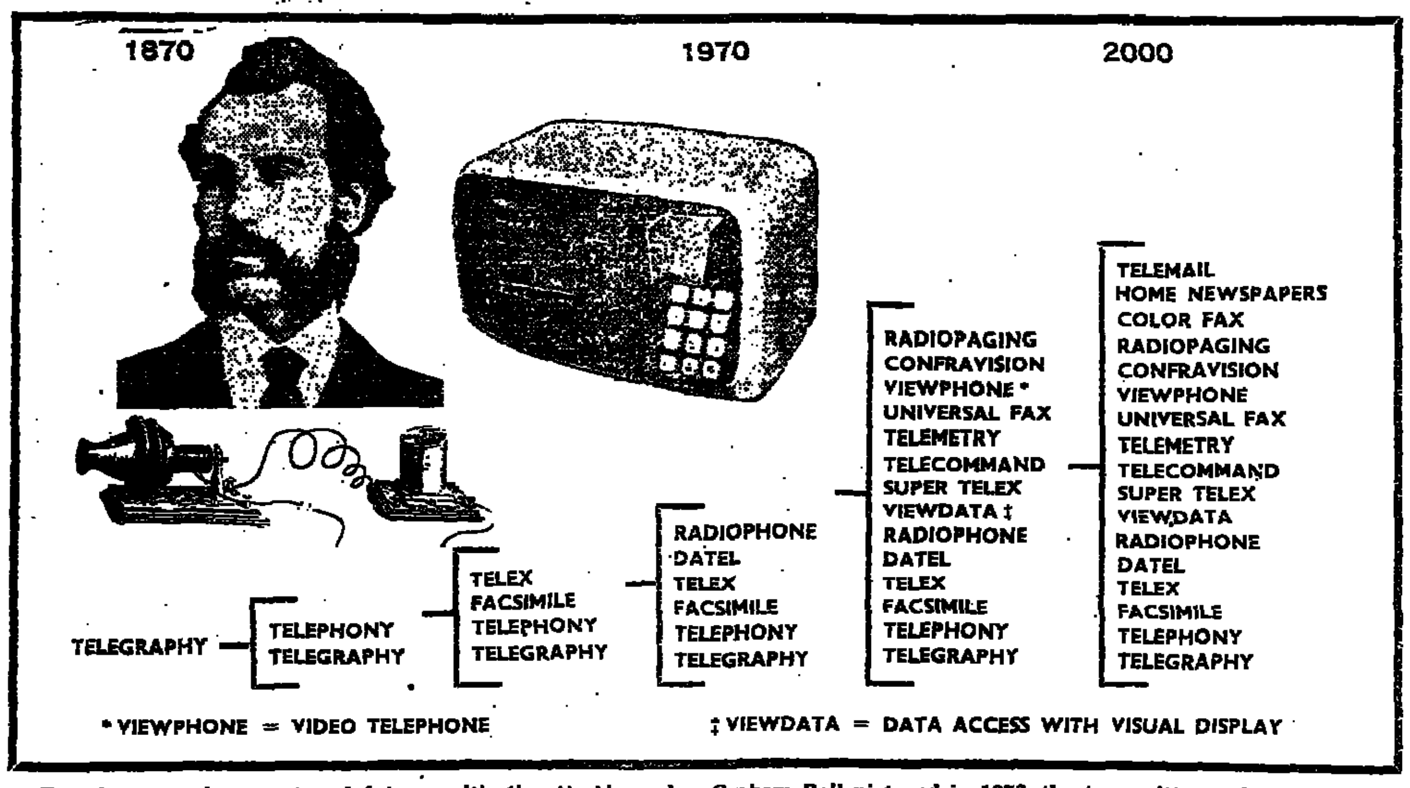
Easier

As we gradually enter the so-called "digital" era, communication between people, computers, and men and machines all promise to become easier, more reliable, cheaper—and therefore even more pervasive. The "information explosion" promises — or threatens—to feed on advances in communications technology, and vice versa, in a continuous spiral of speed and volume. This trend is just as significant to society as the proliferation of nuclear power, but its advance is less evident to the eye, and its ramifications less understood—so its value is left largely unquestioned and undebated.

In purely economic terms, it must be asked whether technological advance should be exploited to offer all the services now envisaged by the world's post offices and independent operators (in those countries where competition is allowed), or whether it should be directed more to making existing services more reliable and less costly. The extraordinary increase in PO charges of the past year would probably sway most people to support the second alternative. But in both Britain and the U.S., it still seems to be the engineers rather than the consumers who dictate the application of technology.

The current stage of technological development has been reached past a series of milestones, by no means all of them of Bell's invention. Professor Colin Cherry of London's Imperial College, one of this country's foremost experts on telecommunications, considers that the real revolutionary development was not the telephone instrument itself but the *exchange*. It was this which enabled networks to be developed, so that telephones no longer merely connected two people in two pre-determined places.

LANDMARKS IN THE TELEPHONE'S DEVELOPMENT



Telephone services, past and future, with (inset) Alexander Graham Bell pictured in 1876, the transmitter and receiver he exhibited at the Centennial Exposition in Philadelphia that year, and one of the most recent telecommunications developments, Viewdata.

Burden

Professor Cherry recalls that the first exchange was set up in New Haven, Connecticut, two years after Bell's invention. Miss Emma Nutt ranks as the first of that unique breed, the female telephone operator, but the real exchange prize must go to one Almon B. Strowger, a Kansas City undertaker, who on March 10, 1891 patented the first automatic exchange.

It is a direct derivative of this "step-by-step" design which still provides the vast bulk of Britain's telephone service, as subscribers can tell by the long delays before a connection is established and by the level of wrong numbers and noisy or crossed lines. These drawbacks, plus the cost of maintenance, have turned Strowger exchanges into a burden which the Post Office must shed as fast as possible. This is why its current modernisation programme is so important, even if the new semi-electronic replacements require less manufacturing labour than Strowger and thus necessitate cutbacks in the factories.

Since 1930 a host of major inventions has increased the capacity, cut the cost and raised the efficiency of telephone communication. In the 1930s the coaxial cable allowed more than one conversation to be carried on one pair of conductors. In 1947 Bell Laboratories in the U.S. invented the transistor, which reduced the size and raised the performance of almost every type of communications equipment, a trend which has since been taken much further by the 1960s invention of the integrated circuit.

In the last 20 years submarine cables and satellites have replaced unreliable short-wave radio links in intercontinental communication, super-high frequency (or microwave) transmission has enabled television services to be expanded economically, and the full automation of exchanges has allowed telephone subscribers to dial calls across the world without the help of Miss Nutt's successors.

Advance

Micro-electronics now provide the key to future advance. The development of transistors and integrated circuits have made it economic for a 1930s invention (by Alec Reeves, an Englishman) to be applied to existing telephone lines, multiplying their capacity 15 times. Called pulse-code modulation, it is a technique which will revolutionise the telephone network in the 1980s. Its essential characteristic is that it strings streams of digital (on-off) pulses together along the line, whereas transmission traditionally consists of continuous electrical waves which form an "analogue" of the voice pattern.

The new form of transmission means that digital computer-to-computer communication will no longer have to be slowed down and converted into analogue form to be carried along the line, a change which will stimulate the latest computer fashion data networks. The human voice will be adapted to machine language, rather than vice versa.

Rather than some plot to turn us into automatons, the technique promises better quality and more capacity, both at lower cost. And when, also possibly in the 1980s, Post Office exchanges switch calls digitally under the control of computers, the subscriber will receive a far more flexible and sophisticated service than at present.

Sir Edward Fennessy, the managing director of Post Office telecommunications, says that "the basic objective in the creation of this new system is not so much to provide better communication, but to provide as good a communication at lower cost." This is not to say that the PO is satisfied with the quality of the basic telephone service it offers—it is not, and looks to electronics as the solution. But in spite of Sir Edward's pledge, there will be a great temptation, as in the past, to go for exciting new services such as the U.S. Picturephone—which cost hundreds of millions of dollars before it proved a dismal failure—or even the PO's own "Confravision" system of telephone conference which was launched prematurely in a flurry of publicity and has not taken off because of cost and human factors.

Pitfall

The Post Office will come under growing pressure in future years to provide even more advanced services: cable and Pay television, home newspapers, telemail and—at the end of the line—the famous "wired city," where everyone works from home, armed with a personal computer terminal and viewphone. Apart from the social questions, the nationalised industry which already has by far the largest annual capital programme (£1bn., almost all of it on telecommunications) will have to avoid the economic pitfall of neglecting the quality and efficiency of immediate service in favour of long-term sophistication.

LABOUR NEWS

'Status quo' row in engineering plant

BY OUR LABOUR STAFF

"STATUS quo" row has broken out at a Wolverhampton engineering plant, where 800 workers are on strike, even though a disputes procedure agreement containing such a clause has just been signed at national level.

The national agreement does not come into effect until April but workers at Electric Construction, a member of the Hawker Siddeley Group, say the management should recognise it now to help settle the strike.

Mr. Stan Ruthven, district secretary of the Amalgamated Union of Engineering Workers, said the company had refused to lift the suspension of six fitters—in a dispute about piecework rates—to make discussion easier.

Electric Construction is a member of the West Midlands Engineering Employers' Association, which in turn is affiliated to the national Engineering Employers' Federation, which signed the procedure agreement with national union leaders on Monday.

One of the crucial clauses in the agreement and the one most prized by the unions after years of negotiation, deals with the "status quo."

It says that, in the event of a dispute, previous practice shall continue pending a settlement or until the disputes procedure has been exhausted. In return, there must be no restrictions imposed by either side.

The 800 strikers at Electric Construction walked out when the six fitters were suspended after refusing to accept a £2.15 piecework rate. They asked for £2.45.

Jobs scheme controversy talks are deferred

BY OUR LABOUR STAFF

A TEMPORARY truce was declared yesterday in the controversy between a civil service union and the Employment Service Agency about the categories—of jobseekers for a new pilot scheme in London to test the use of computers in matching applicants and vacancies.

The Civil and Public Services Association has said that it would consider industrial action by its members involved in the scheme if the proposed categories were introduced.

The proposal is that people registering with employment offices in North-East London would be classified into four categories. The criteria would include the number of times they had changed jobs and their reasons for doing so. This classification would then be fed into the computer.

Union officials agreed at a meeting with the ESA management yesterday to defer further talks on the issue until it has been considered by the Manpower Services Commission, which is responsible for the ESA, at its next meeting later this month.

In the meantime, the CPSA hopes to enlist the support of the three trade union members on the 12-man Commission. It will also submit its views to the Commission itself.

As things stand, the union seems determined to continue its opposition to the categories even if the Manpower Services Commission should approve it.

SOGAT makes peace offer

SUNDAY newspaper printers involved in a dispute with London area distribution have been told by their union, the Society of Graphical and Allied Trades, to work normally tonight.

SOGAT yesterday also put forward to the London newspaper managements a formula for ending the dispute. If accepted by all parties, it could end a series of High Court hearings in which a group of distributors on the fringe of the capital have won an injunction requiring early delivery by the newspapers concerned.

Evidence was again heard yesterday, but the judge made no new order and invited further evidence if necessary on Tuesday. Mr. Justice Templeman said it would be wrong to grant an injunction which the publishers could not carry out because of their employees' industrial action.

SOGAT members have been refusing to deliver to the fringe distributors until after dispatch to main London wholesalers. They claim that there are non-union distributors who pose a threat to their own jobs.

Ford plant walk-out by 200

ABOUT 200 skilled workers at Ford's Dagenham plant walked out yesterday after management disciplined some craftsmen for refusing to obey instructions. They are working to rule to support their claim for better representation on the Ford joint negotiating body, and the refusal to obey instructions was part of their campaign.

At Halewood about 2,000 assembly-plant workers stopped for several hours yesterday after they heard that police investigating a suspected theft had searched a Ford worker's home.

The company hopes production will be back to normal on Monday.

Thorpe urged to quit after Coventry rout

BY JOHN HUNT

PRESSURE is mounting on Mr. Jeremy Thorpe, the Liberal leader, to resign the leadership of his party after the poor showing of the Liberal candidate, Mr. Alan Leighton, in the Coventry North-West by-election, where he lost his deposit.

Mr. Cyril Smith, the Liberal chief whip, suggested last night that in the next few weeks there should be a meeting of the 13 Liberal MPs to decide if Mr. Thorpe should stay until after the next General Election or they should "get rid of him now."

"I feel we cannot go on with endless speculation over the coming weeks. The Parliamentary party must settle the issue one way or the other."

Mr. Thorpe said in a radio interview that he had no intention of resigning. "I have every intention of leading the Liberal Party into the next election and of doing it damned well."

Next Thursday's by-elections in the Tory-held seats of Wirral and Carshalton now loom as crucial tests for Mr. Thorpe. If the same pattern of weak Liberal support is repeated he will find it increasingly difficult to argue that his nine-year tenure as leader is paying off.

Dangerous

Labour's victory at Coventry by a much reduced majority of 3,694 and the Conservative failure to win the seat offers little comfort for Mrs. Margaret Thatcher, the Tory leader. Since she became leader, she has consciously broken the tradition that a party leader should not take part in by-elections.

Yesterday, despite the Coventry setback, she went to Carshalton and toured shopping centres there. Many Conservatives feel this is a dangerous manoeuvre which could be counter-productive.

Mr. Jo Grimond, former Liberal party leader, described the Coventry result as "very bad" for the Liberals.

Asked if recent controversy involving the party leader might have led to the poor result he replied: "Well it certainly begins to look like it. I would have thought, not because of this recent business, that Mr. Thorpe must think of stepping down in a year or two."

But Mr. John Pardoe, Liberal MP for Cornwall N. and a possible future leader, said cautiously last night: "Obviously Liberals will be disappointed by the result at Coventry. It is far too early to assess the cause and effect of this result. As far as I am concerned it makes no difference to Jeremy Thorpe's position as leader of the Liberal Party."

Brave face

Mr. Thorpe himself put a brave face on the result and said it was a disappointment but not a disaster.

The two major parties were last night putting the best possible gloss on the Coventry result. Mrs Thatcher pointed out in Carshalton that there was a 5 per cent. swing to the Tories at Coventry which she found very encouraging.

Labour, which held on to the seat but with an almost halved majority, put the emphasis on the Conservative failure to win. A party statement pointed out the contrast with the 1971 by-election at Bromsgrove in the Midlands when Labour won over the Tories.

RESULT

Robinson (Lab.)	17,118
Guinness (C.)	13,424
Leighton (Lib.)	4,062
Fountaine (Nat. Front)	986
Kingsley Read (Nat.)	208
Keen (More Prosperous Britain)	40
Dunmore (Logic)	33

Labour majority: 3,694
(7,488 in October General Election)

Japanese carmakers 'facing downturn'

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE JAPANESE motor industry is facing a severe slowdown over ten years, according to a report from the Ministry of International Trade and Industry.

The report forecasts that the average rate of expansion will fall to 2.8 per cent. a year in 1974-1985, compared with 17.4 per cent. in the boom years of 1965 to 1973.

As the growth rate tails off, manufacturers could be forced out of business or into more diversification, it says.

The report coincides with the belief of some European manufacturers that, in spite of a possible upswing in 1977/1978, the average growth of sales over the next ten years will be between 2 and 4 per cent. a year.

The Ministry is predicting that growth in overseas demand for Japanese vehicles will slow to 4.2 per cent., following a five-year period in which car exports have more than doubled to almost 1.8m. units.

In Japan, where registrations have fallen off over the first two months of this year, it says, the average increase in demand for vehicles will fall to 2.2 per cent. a year in 1974-85 from 13 per cent. in 1965-73. Total production of the industry at home and overseas will reach 8.84m. units, as against the previously forecast 10.1m.

The leading Japanese car manufacturers, Toyota and Nissan, greeted the report yesterday with the view that it could lead to further rationalisation.

Japan has a dozen manufacturers making four-wheeled vehicles, several of them very small, and it is no secret that some have been in financial trouble since the oil crisis. Toyo Kogyo, the third largest producer, has been a constant target of merger rumours since it recently started losing money, although it now seems to have survived the crisis.

Consols in line with PSBR below £12bn.

CONSOLIDATED Fund figures for central Government revenue and expenditure figures in the first 11 months of the 1975-76 financial year are in line with the widespread impression that the public sector borrowing requirement as a whole will after all be below £12bn. for the full financial year: as indicated in Mr. Denis Healey's letter to the International Monetary Fund.

Revenue receipts in February by central Government were at £2.6bn. only 10 per cent. up on February, 1975, but this reflects the fact that penalties for late tax receipts produced a rush to pay in January of this year.

Consolidated Fund expenditure was 12 per cent. up on February last year at £2.9 bn., bringing the cumulative total for the first 11 months of the financial year some 36 per cent. up on the corresponding period of 1974-75—significantly below the sort of cumulative figures recorded some ago.

The central Government borrowing requirement was £7.8bn. in the first 11 month of 1975-76, against £4.7bn. in the corresponding period of 1974-75 and a Budget forecast of £4.6bn.

COMPANY NEWS + COMMENT

Scottish TV upsurge: resumes dividends

ON A TURNOVER up from £7.42m. to £9.07m., pre-tax profit of Scottish Television expanded from £179,668 to £766,571 in 1975.

Ordinary dividends are resumed with a declaration of 1.3p net per 10p share. The last payment was an interim of 1.47p. for 1973.

When announcing first half 1975 profit up from £68,620 to £123,414, the directors said the year's profit would be well ahead of the 1974 figure.

They report that current year sales have maintained "the satisfactory rate of increase which occurred in the second half of 1975."

Television is being used by a growing number of advertisers, in many product fields, and demand for advertising time in the months immediately ahead is encouraging, they add.

	1975 £	1974 £
Advertising sales	8,794,989	7,422,877
Exchequer levy	—	252,596
Other revenue	276,664	252,612
Total turnover	9,071,653	7,423,593
Trading profit	1,980,206	983,246
Profit after interim and depreciation	1,426,438	516,668
Exchequer levy	659,867	337,000
Profit before tax	766,571	179,668
Taxation	437,045	106,271
Preference dividend	1,372	1,372
Balance	328,154	70,025
Ordinary dividend	67,273	—
Forward	2,075,542	1,774,464

● comment

Scottish Television is firmly established on a recovery path. After six months, pre-tax profits had increased by 78 per cent. to £123,000 despite a 19 day strike, and the closing half of the year saw advertising revenue pick up and pre-tax profits rise nearly six-fold to leave the year's profits more than trebled. This is, however, still a long way from the £1.44m. profit of 1973. Costs have been in check—a small decrease in network fees helped—and the overdraft of £1½m. in the last accounts is now down to nearer £1m. Scottish is optimistic that the buoyant advertising revenue of the past couple of months—industry figures for January show a 36 per cent. increase—will continue throughout the first half and, helped by the IBA rent reduction of £80,000, interim profits at least should show a healthy increase. A return to the dividend list took Scottish's shares 3p higher to 31p, where the yield of 6¼ per cent. is covered nearly five times.

British Bank of M.E.

Published profits, after tax, of the British Bank of the Middle East, a member of the Hong Kong Bank group, were a record £4.51m. in 1975 against £2.21m. and the result is regarded as "highly satisfactory," says the chairman, Mr. A. Macqueen.

Interim dividends of 6.66p and 13.33p per share, totalling £3m. have already been paid and a final dividend of 3.33p, absorbing £500,000 is now recommended.

The year's profit should be related to some extent to the changed capital basis from which the bank has been working, says the chairman.

In December, 1974 the parent company subscribed an additional £10m. capital to increase the figure to £15m.

Apart from this consideration, the major part of earnings continued to be derived from the expanding commercial banking operations "in an area where the word recession has no place in the vocabulary."

Most branches produced increased profits for the year. Directors have allocated £1m. fro mprofit and loss account to reserve account and have additionally strengthened this by a further transfer of £2.5m. from inner reserves.

On completion of these transactions the balance-sheet as at December 31, 1975 shows capital at £17.5m., published reserves account at £18.5m. and a carry forward figure of £541,027 making an overall increase for the year of £6,012,098.

It was again a year of substantial expansion in balance-sheet figures says the chairman. Current, deposit and other accounts were £981.79m. (£690.44m.); cash and short-term funds, £342.48m. (£198.16m.) and advances, £442.96m. (£334.9m.). Balance-sheet total was £1,472.78m. (£1,032.13m.).

The accounts reveal that the bank has paid its former chairman, Mr. Claude Loombe, £107,000 on his retirement (in addition to his normal emoluments) in recognition of his service. After tax the sum paid to the chairman amounted to £18,190.

Meeting, 20, Abchurch Lane, EC, March 23 at 11.30 a.m.

INDEX TO COMPANY HIGHLIGHTS

Further recovery at HTV

After a substantially more than doubled Exchequer levy charge of £920,000 against £413,635, profits before tax of HTV recovered sharply from £320,595 to £655,640 *in the six months ended January 31, 1976.* Stated earnings per 25p share went up from 2.21p to 4.62p.

The net interim dividend is 2.25p against 1.25p. In 1974-75, the group paid a 4.25p total from pre-tax profits of £824,009, compared with £1.19m. in the previous year.

Turnover, before Exchequer levy, in the first six months was ahead at £6.47m. (£5.36m.)

After tax of £358,000 (£178,000) net profits were £297,640 against £142,595.

● comment

HTV's more than doubled first-half pre-tax profit continues the improving trend which has been apparent since profits bottomed out at £243,000 in the six months to July 1974. Advertising has been buoyant of late, but also HTV has made "stringent" efforts to control costs, though this has run the company into difficulties with the Price Commission in gaining the rate card increase it desires. Prospects for TV contracting look promising, but HTV has recognised the need to diversify and *is currently taking over Frost and* Reed, a fine art dealer. Meanwhile, whether the recovery in the interim dividend can be extrapolated for the full year, is difficult to decide, as HTV may be torn between conserving cash for diversification and returning to the previous dividend level. Still on the last 12 months' dividend the yield is only just under 11 per cent. at 76p, up 6p yesterday.

City & Comm. advance

Pre-tax revenue of City and Commercial Investment Trust increased from £451,060 to £509,677 in the year to January 31, 1976, and the dividend is lifted from 1.333p to 1.412p net per 25p Income share with a final of 0.628p.

After tax of £175,999 (£136,051), the net balance is £333,678 against £315,009.

Net assets at January 31, 1976 were valued at £11.95m. and the net asset value per Capital share was 169¾p (£7.7m. and 52¾p) calculated after deducting the debenture stock and Income shares at nominal values. No deduction has been made for the surrender of investment currency premium or for any tax which would have been payable had the investments been sold at market values at balance sheet date.

No less profit seen by IDC

ALTHOUGH IT is difficult to forecast, Mr. Howard Hicks, chairman of The IDC Group, believes that 1976 will produce a return for the company "not less than that of 1975."

Orders have been secured to maintain a reasonable level of activity, but capacity will not be wholly extended.

During the year to October 31, 1975 liquidity greatly improved, net borrowings reducing by some £2m.

As to property interests, Mr. Hicks says the residential field showed a marked improvement, and should provide satisfactory results this year. The industrial field is dormant, although there is "every sign" that confidence is returning to this sector.

Properties at end October, included in the balance sheet at a net value of £1.99m., had, in the directors' opinion, a market value of approximately £2.9m.

As known group pre-war profit for the past year was £1.01m. (£0.95m.) and the dividend total a maximum permitted 7.6013p net.

Details of the already announced proposed acquisition from Mr. and Mrs. Hicks of the HDC Group are given.

In the year to October 31, 1975 pre-tax profit of HDC was £97,720. On November 1 last the cost of its development land held as trading stocks was £1,257,416. In the opinion of John D. Wood and Co., surveyors, auctioneers, etc. if this land was disposed of, as and when the houses are sold, it could be expected to realise not less than £594,000 in excess of such cost, subject to tax.

Following the proposed acquisition, the holding of Mr. and Mrs. Hicks would represent, on the basis of full conversion, 60.8 *per cent. of the enlarged* IDC capital.

● comment

IDC's annual report reveals that the 1974-75 profits—6½ per cent. higher pre-tax—were struck after crediting an exceptional gain from the sale of two Venezuelan development subsidiaries. Without this, the profits would have been about 17 per cent. lower, with the downturn accelerating in the second half as margin pressures increased against a static workload. The group's order book is currently up on a year ago but, with about 30 per cent. of work involved in the public sector, IDC will be affected by the cutbacks in Government spending, in which case it may be hard pushed to maintain profits in the current year. The acquisition of HDC could lift housebuilding from 20 per cent. of total activity to roughly a quarter, but it will push up assets per share from around 73p to about 80p ... [illegible]. The shares, at 105p yield 11.8 per cent., cover 2.1 times, excluding exceptionals.

U.S. DEBENTURE

Available net profit of the United States Debenture Corporation for the year to January 31, 1976, was £1,175,754 (£1,114,290 previously) as shown in yesterday's report. The £1,067,724 (£960,084) figure also given was the total of tax and interest charges, etc.

G. Oliver earns and pays more

EXCLUDING VAT, sales of George Oliver (Footwear) increased from £5.09m. to £5.89m. in 1975, and pre-tax profit advanced from £403,585 to £473,739, after a first half downturn from £123,347 to £80,196.

Stated earnings per 25p share for the year increased from 3.22p to 3.9p, and the dividend is stepped up from 1.44p to 1.53p net with a final of 1.05p.

● comment

A return of consumer demand in the second half, particularly in the seasonally-important last quarter, turned a mid-term profit decline of 35 per cent. pre-tax into growth of 17½ per cent. overall for George Oliver. Clearly, a resumption of its shop improvement programme, suspended in the first half to conserve liquidity, helped push second-half turnover 21.5 per cent. higher which includes an element of volume growth. The cold winter also provided better demand for high margin boot lines, while cost control and higher selling prices pushed second-half margins up to 12.1 per cent. against 3 per cent. at mid-term, to hold the full-year margin steady at 8 per cent. However, the company prefers not to look too far ahead, although it is "very satisfied" with the current situation. At 30p, up 1p, the p/e is 7.4 and the yield 8 per cent., covered 2½ times.

Alliance Trust lifts dividend

A NET FINAL dividend of 3.75p by the Alliance Trust Co. makes a total of 5.35p for the year ended January 31, 1976 against 5.25p previously. Stated earnings per 25p share are 5.56p compared with 5.77p.

Gross revenue was down slightly from £5.63m. to £5.49m. and net revenue amounted to £2.87m. against £2.98m.

Net asset value per stock unit, deducting prior charges at par was 248½p (164p) including 25 per cent. of investment currency premium subject to surrender on sales of 12p (7½p).

Majuli and Borelli

Majuli Tea Company and Borelli Tea Company have been informed by the Reserve Bank of India that within two years the Indian businesses of the companies are to be taken over by Indian companies in which a minimum of 26 per cent. of the equity is held by Indian residents.

To protect interests of shareholders the Boards are to form holding companies in the U.K. to which will be transferred all assets not connected with the businesses in India.

Borelli directors expect "lower profits" for 1975, while Majuli Tea directors say that profits will be "slightly lower."

Manson Finance placing

Controlling shareholders of Manson Finance Trust have released 700,000 Ordinary shares—approximately 9.8 per cent. of the capital—in order to improve marketability.

The 700,000 shares have been placed with institutional and private investment clients by Stewart Salmon and Co. in conjunction with Energy Finance and General Trust.

Results due next week

Among full year results due next week from several major companies with substantial dependence on overseas sales are those from Royal Dutch/Shell Group, United Biscuits, Fisons and BSR. Preliminaries are also expected from Transport Development Group and BTR.

The Royal Dutch/Shell Group's annual profits are expected on Thursday, and though these will inevitably reveal a drop in net income, the extent of this is likely to be far less severe than most experts were anticipating at the start of last year. Third quarter profits in November were down from £304.3m. to £216.9m. at the net income level but there was clear evidence that a recovery was under way. North America was performing well, and the volume decline elsewhere appeared to be bottoming out: also, the Western European chemicals interests were starting to pick up. This seems to point to a full year net income of around £905m. against £1.1bn. previously.

United Biscuits' Keebler concern in the U.S. is expected to have benefited from the improved margins that several other U.S. biscuit makers have reported recently. Market expectations of around £20m. for the full year for United Biscuits group, projected around six months ago, have as a result been revised to between £21m. and £22m. pre-tax against £13.8m. in 1974. A small recovery in the U.K. market for cakes and biscuits, coupled with extra currency benefits, are also expected to show in the results due on Tuesday.

Pre-tax profits for Fisons are expected to reach around £16.4m. for 1975 against last year's 36 per *cent. rise to £14.57m. The results* due on Tuesday are expected to show special strength from the pharmaceuticals side, which in the second half would have benefited from the 20 per cent. price rise for Intal. However, evidence of a falling national trend in fertiliser exports has produced a cautious external forecast of results from this side of the business, while Fisons agro-chemicals are known to have been hit by unsuitable weather conditions which led in the second half to a period of *destocking by farmers.*

When announcing its interim figures in September (at the same time as it made its bid for Permali) BTR forecast that its first half earnings growth would be maintained for the full year. The half-year profits were 55 per cent. higher before tax on a 41 per cent. rise in sales, and the interim forecast suggests a full year pre-tax level of around £15m. The prelims are expected on Wednesday.

BSR is believed to be back on the road to recovery after its *major profits set-back in the first* half of last year—a result of a slump in orders for record changers from the U.S. (which usually takes 60 per cent. of exports) and industrial problems in three Midland factories. The revival in business between June and December, largely thanks to an end to destocking in the U.S., is expected to bring full year pre-tax profits due on Tuesday to between £8.5m. to £9.5m. This would still be roughly 35 per cent. down on last year, but the *recovery will have been supported* by improved sales in Japan and by the resilient market in the U.K. for small electrical appliances. Meanwhile, BSR's new hi-fi turntable has provided a Stock Market talking point.

A sharp drop in haulage profits, together with reduced contributions from engineering and exhibitions, sent Transport Development Group's pre-tax level 21 per cent. lower at the half-way stage, despite a strong performance in Australia. This trend down under is apparently continuing and there are signs that European business is also beginning to pick-up. However, the latter is unlikely to have had much significant effect on 1975 profits and a full year total of around £12m. (against £13.6m.) is probably a maximum hope. The final is due on Tuesday.

Other companies due to report preliminary results next week include Inveresk, Steetley, Bemrose Corporation, Glenlivet Distillers and Clayton Dewandre. Interims are expected from AAH.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Anglo American Investment Trust	Wednesday	95	195†‡	95
Anglo American Ind. Corpn.	Thursday	20	37.5	22
Barrow Hepburn	Monday	1.71	1.33	1.71
Bemrose Corporation	Thursday	0.94	1.55	1.01
Beswood	Thursday	—	0.69†	—
Bridon	Monday	2.37	3.71	2.92
BSR	Tuesday	0.57	1.53	0.57
BTR	Wednesday	1.91	1.45	2.25
Clayton Dewandre	Friday	1.6	5.49	1.71
De Beers Consolidated	Tuesday	9	17(b)	5
De Beers Industrial	Tuesday	22½	55	22½
Development Securities	Friday	—	4*	—
Davies and Metcalfe	Tuesday	0.41	0.41	0.41
Leonard Fairclough	Friday	2.48	3.76	[illegible]
Fisons	Tuesday	4	5.52	4.4
Martin Ford	Monday	1	1.1	1.1
Frost and Reed (Holdings)	Monday	2.74	3.25	2.5
Glenlivet Distillers	Friday	1.6	1.77	1.7
Harris and Sheldon	Thursday	1.09	1.19	1.15
Inveresk Group	Tuesday	1.25	1.1	1.25
Investment Trust of Guernsey	Monday	1.75	[illegible]	1.75
Johnson Group Cleaners	Thursday	0.97	1.21	1.07
Merchants Trust	Monday	0.7	1.1	0.7
Montfort Knitting Mills	Wednesday	0.75	2.12	0.75
Needlers	Thursday	Nil	Nil	Nil
Neil and Spencer	Monday	Nil	Nil	Nil
Photopia International	Monday	0.55	0.54	0.55
Royal Dutch Petroleum	Thursday	3.59	4.30*	3.75
Scottish Northern Investment Trust	Tuesday	0.8	1.5	0.8
Thomas Robinson and Son	Thursday	1	3.29	1
Sharna Ware	Thursday	Nil	1.2	Nil
W. N. Sharpe	Thursday	1.1	1.45	1.15
Shell Transport and Trading	Thursday	5.2	6.75	6
John C. Small and Tidmas	Tuesday	1.13	1.19	1
Steetley	Wednesday	1.9	2.57	2
Transport Development Group	Tuesday	0.94	1.74	0.94
W. and E. Turner	Monday	0.4	0.95	0.42
Whittington Engineering	Monday	0.5	2.5	0.5
United Biscuits	Tuesday	1.19	1.87	1.41
Yule Catto	Thursday	0.4	0.66	0.45
INTERIM DIVIDENDS				
AAH	Wednesday	3.96	4.22	
Armstrong Equipment	Tuesday	0.6(a)	1.09	
Capseals	Friday	1.05	1.13	
Cope Allman	Friday	1	1.15	
G. H. Downing	Tuesday	3.39	3.17	
Galliford Brindley	Thursday	0.7	1.05	
Hunt and Moscrop	Wednesday	1.61	2.06	
Milin Marsters	Thursday	2.1	4.21	
Parker Knoll	Monday	0.72	1.9	
George H. Scholes	Friday	4	9.5	
Tweefontein United Collieries	Thursday	50	20(c)	
Unochrome International	Monday	0.2	0.2	
West of England Trust	Friday	0.5	0.64	
INTERIM FIGURES ONLY				
Glendevon Investment Trust	Monday			
Imry Property Holdings	Wednesday			

* Dividends shown net, pence per share, and adjusted for any intervening scrip issue. † Single payment usually made ‡ Gross ¶ Florins per share. (a) Including second interim. (b) 5 cents per share. (c) Rand cents per share.

UNIT TRUSTS

Hill Samuel Property

The Hill Samuel Life Property Fund is on offer from Hill Samuel Life Assurance this week with a minimum investment requirement of £500. The fund now amounts to £18.6m., having been started in November, 1969, and the number of properties totals 48, mainly ranging from £¼m. to £½m. in value. The investment vehicle for the fund is the Fortune Convertible Bond which is linked to an automatic withdrawal plan for up to 5 per cent. of the original amount annually. Life assurance cover is included.

● comment

Property Bonds once seemed to be a way of achieving capital growth on a steadier basis than might apply to equities. After the troubles of the past couple of years this is now no longer quite the case and pointers to the "substantial rise in building costs" have to be viewed in relation to the potential demand for property. But property bonds are still a candidate for part of the investor's portfolio and the Hill Samuel fund's offer price shows an increase of a third over the original starting price.

SCHLESINGER MONEYMANAGER

The International Moneymanager plan is being offered by Schlesinger Trust Managers this week. This is a scheme designed for the larger investor with between £2,500 and £100,000 (or over) to invest and is suitable for capital investment, regular savings and CTT planning. It combines the merits of the group's International PIMS plan which involves investment in the Trident Inter*national* Growth Fund and a qualifying life assurance policy involving the return of capital in a tax-free form after ten years, full tax relief on the premiums and the flexibility to switch at any time into liquid funds with no tax effect, normally at no cost.

● comment

Schlesinger has specialised in plans for the up-market investor and the International Moneymanager plan is directly in this area. It is mainly suitable for the investor who has a professional *adviser who can work in conjunc*tion with Schlesingers.

ARBUTHNOT HIGH

Arbuthnot Securities is offering investors the Arbuthnot High Income Fund this week-end yielding an estimated 10.2 per cent. gross. The portfolio is invested primarily in equities (82 per cent.) with the remainder in preference and convertible shares. The minimum investment is £300, accumulation units are available and there are both a share exchange and a monthly savings scheme.

● comment

High income trusts have been among the best sellers in the unit trust market and the Arbuthnot High Income Fund manages to provide investors with a 10 per cent. yield despite being heavily orientated towards equities. The fund thus provides a reasonable level of income at the start with good prospects for both income and capital appreciation.

LAWSON HIGH

The Lawson High Yield Fund is being advertised with a minimum investment requirement of £100. The estimated gross yield is 11.6 per cent. and income is paid quarterly. Included in the portfolio are high-yielding Ordinary shares, investment trust income shares and Preference shares. The equity and income share proportion accounts for 60 per cent. of the fund.

● comment

High income still carries weight with investors and Lawson High Yield is at the centre of the fray with an 11½ per cent. return. Investors who go for an income fund with a substantial proportion of Preference shares are of necessity sacrificing an element of capital growth potential, but so far the fund has done quite well on this score.

TARGET FNCL.

Target Trust Managers is offering investors the Target Financial Fund this week-end, yielding an estimated 4 per cent. gross. The trust's portfolio is spread over the financial and property sectors of the market with shares in banks, insurance companies, investment trusts, discount houses and property companies. The minimum investment is £300 and a share exchange scheme and a monthly savings scheme are available.

● comment

The managers consider that the financial sectors of the market have many investment advantages in current conditions, including the sizeable overseas earnings of *large companies in this area.* But this sector has been subject to a number of crises in the past and expert guidance is necessary. This is being offered to interested investors through the Target Financial Fund. Investors should note that the yield is below average and the fund is more attractive to those seeking capital growth.

TARGET COMMOD.

The Target Commodity Fund is being advertised with a minimum investment requirement of £300. The fund yields 4.71 per cent. and the investment managers are merchant bankers, Dawnay Day. The charges are on the basis of 5 per cent. initially plus ¾ per cent. per annum.

● comment

The Target Commodity Fund is in competition this week as an established commodity fund with the two new commodity funds launched by Lawson and M & G. Its performance has not been exactly exhilarating so far, but perhaps now the timing could be right.

JASCOT INTNL.

Arbuthnot Securities is offering investors this week-end the Jascot International Growth Fund designed to enable them to diversify their portfolios into the North American market, the portfolio being heavily invested in that area (92 per cent.). The minimum investment is £300 and there are both a share exchange and a monthly savings scheme.

● comment

The overseas orientated trusts have led the field in performance so far this year and it is often good investment policy to diversify part of one's portfolio overseas. The Jascot International Growth Fund is mainly in the North American market, where investment managers are enthusiastic about prospects. The dollar loan facilities available should shield the fund from the effects of movements in the dollar premium.

CTT PLAN FROM LONDON LIFE

London Life Association is drawing investors' attention this week-end to its Capital Safeguard Scheme. This is a Whole Life contract so written that the sum assured is free of Capital Transfer Tax and only the premiums are assessable. These can be offset against the annual exemptions. The contracts can be on a single life or the joint lives of husband and wife.

● comment

The Capital Safeguard Scheme enables investors to accumulate a capital sum that is free of CTT which can be used either as a tax-free gift or to meet the ultimate tax liability. It ensures that the investor makes maximum use of his annual exemptions, which can only be carried over for one year.

CRESCENT INTL.

Crescent Life Assurance is *offering investors the Crescent* International Plan this week-end. This is a life assurance policy with a minimum monthly premium of £5 and maximum of £50. The plan is open-ended with investment in the Crescent International fund. Initially 90 per cent. of the premium is invested but this rises to 97 per cent. when the value of the units exceed the guaranteed death sum.

● comment

The use of life assurance as a means of regular savings in a unit *trust has the dual advantages of* tax relief on the premiums and high level life cover. The Crescent International Plan is linked to a fund—the Crescent International Fund—which is well spread through the overseas markets. Although it has had its ups and downs since inception in 1970, it has outperformed the U.K. equity market over the long term.

ANTONY GIBBS INCOME UNITS

The Antony Gibbs Income unit trust is on offer from Antony Gibbs Unit Trust Managers. The investment aim is to provide a better than average income and 90 per cent. of the investments are in U.K. equities. The minimum investment requirement is £1,000 and the managers are backed by Antony Gibbs, merchant bankers.

● comment

The income return from the Antony Gibbs Income unit trust is relatively attractive at 10.3 per cent. and is derived almost *entirely from U.K. equities.*

AIB SCHEME

Anglia Insurance Brokers of Northampton is drawing investors' attention this week-end to the AIB Fund. This uses the flexible investment bonds of the major unit-linked life companies as investment vehicles with AIB advising clients when to switch from one bond to another. The service, which started in November, 1971 has achieved a growth of 92 per cent. using the Hambro Life Flexible Bond.

● comment

Flexible bonds provide investors with the opportunity to switch from one type of investment bonds to another, such as from equities to property, so that maximum use of changing investment conditions can be made. The only problem for investors is when to switch and what to switch. The AIB Funds provides this investment service for clients advising when and what to switch and has shown a useful performance since inception. The client retains complete control over the actual investment vehicle.

LAWSON RAW MATERIALS

A new commodity orientated unit trust has been launched by Lawson Securities called Lawson Raw Materials and General Unit Trust. The portfolio will be spread across companies involved with tin, tea, rubber, coffee, etc., and the charges are on a 5 per cent. initial, ¾ per cent. per annum basis. The minimum investment *requirement is £500* and the estimated gross yield is 7.5 per cent.

● comment

As one of the two newly launched commodity funds, the apparent difference between Lawson Raw Materials and General Fund and its rival from M. and G. is that it has a higher yield and appears to have a closer eye on the income return. But its minimum investment requirement is twice as high at £500.

M & G COMMODITY

The M & G group has launched a new commodity fund called M & G Commodity & General. The new fund has an initial investment requirement of at least £250 and the estimated gross yield is approximately 5½ per cent. The investment in commodities is on a world-wide basis and the managers have powers to negotiate back-to-back loans.

● comment

As one of the leading unit trust groups with a wide range of funds M & G has been rather slow to launch a commodity fund but now seems to have decided that there has been a fundamental shift in the rating of these shares. It is keen on providing a reasonable income, but the M & G Commodity & General Fund has not gone quite as high as the Lawson equivalent.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Alliance Trust	3.75	May 16	3.65	5.35	5.2
Aquis Secs.	0.35	April 28	0.45	0.58	(a)0.95
City and Commercial	0.63	Mar. 31	0.61	1.41	1.3
HTV int.	2.25	May 11	1.25	—	4.25
George Oliver	1.05	—	0.96	1.53	1.44
Scottish TV	1.3	—	nil	1.3	nil
Tronoh Mines 2nd int.	2.65	April 30	2.65	4.29	4.0
Western Mining int.	2.5(b)	May 7	4	—	6.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) For 21 months. (b) Australian cents.

ISSUE NEWS

Scottish Metro forecasts

THE FORMAL rights document issued by Scottish Metropolitan Property in connection with its issue to raise £4.13m. includes a forecast that pre-tax profits before exceptional items will not be less than £870,000. After estimated corporation tax of £384,000 and transfer from reserves of £107,000, there would be £593,000 available for dividends. The estimation for corporation tax is reduced by relief of £79,000 because of capital allowances for which there is no corresponding charge for depreciation.

The Board intends to recommend dividends for the year to August 15, 1976 at the maximum rate allowed under present legislation.

LAZARD PROPERTY

The next issue of units of the Lazard Property Unit Trust is being made on March 26 at a price of £1,220 per unit. This will give an estimated yield of 6.5 per cent unless the return on the £11m currently invested in short-term deposits falls sharply.

The trust allows pension funds and charities the opportunity to invest directly in property without affecting their tax position and without the attendant management problems. It is estimated that based on current rental values, income from properties will rise over the next 1 years from £2.3m. to £3.9m.

CABLE TRUST

Cable Trust has arranged an unsecured loan facility of $US10m with the Bank of Montreal for a period of three years.

GRAND MET.

Grand Metropolitan has issued 145,879 Ordinary shares in accordance with agreements relating to conversion of part of the convertible loan stock of a subsidiary of Berni Inns.

MINING NEWS

W. Mining resumes at Yeelirrie

BY KENNETH MARSTON, MINING EDITOR

AUSTRALIA'S Western Mining announces that it has resumed work on its Yeelirrie uranium deposit in Western Australia and that plans are being completed for a $13m. (£8m.) large-scale pilot treatment plant. The project has been hanging fire for three years owing to the lack of Federal Government approval to export uranium oxide. Requests have now been made to Australia's new administration for permission to make uranium sales contracts.

Meanwhile, Western Mining's earnings for the half-year to Dec. 30 have fallen to $5.5m. (£3.4m.) from $9.8m. in the same period of the previous year. The interim dividend is being cut to 2½ cents (1.6p) from 4 cents last time when there was a subsequent final of 2½ cents.

The nickel producer says that a strengthening in the world demand for this metal is unlikely to occur before the end of the company's financial year and that rising costs are largely offsetting the effects of the recent nickel price increase. Western Mining rose 5p to 140p yesterday.

ROUND-UP

A second and final interim of 2.849p is declared by Tronoh Mines, the Malaysian tin producer, making a total of 4.29p for 1975 against 4.02p for the previous year. The latest earnings per share figures comes out at 8.2p against 14.9p for 1974 from attributable profits of £850,000 compared with £1.53m.

* * *

An unaudited consolidated operating loss of $49,000 (£30,500) is reported by Australia's Gold Mines of Kalgoorlie for the 28 weeks ended December 30 against a loss of $48,000 for the same *period a year ago. The loss this* time, however, is struck before a write down of $2.5m. (£1.56m.) in value of the company's 47 per cent. shareholding in Kalgoorlie Lake View.

* * *

Anticipated expenditure on mineral exploration by private enterprise in Australia for the first half of the current year is put at $43.9m. (£27.32m.) by the Bureau of Statistics compared with an actual spending of $47m. for the first half of 1975. Government expenditure in the current half-year is expected at $10.7m. against $7.8m. in the half-year to June, 1975.

BIDS AND DEALS

East Sussex Eng. 'No' to Aurora

The chairman of East Sussex Engineering, Mr. G. J. Suckling, has sent a letter to shareholders saying that the 30p per share cash offer from Aurora Holdings is "wholly inadequate." He also adds that the Board "strongly deprecate the events that led to it."

At present Aurora holds 45 per cent. of the East Sussex equity; a 14 per cent. shareholding was acquired from a former chairman, Mr. E. J. Burchell.

Last night's statement says that at no time prior to the share purchases (which made up the 45 per cent. holding) did Aurora put forward any offer, and that those holders who have already accepted the offer did so without "having available the views of the Board as to the results for 1975, the excellent prospects for your company, and the value of the shares."

East Sussex is being advised by merchant bankers S. G. Warburg.

MORICE TOZER

The offer by Alexander Howden Group for all the issued "A" Ordinary capital of Morice Tozer and Beck (Holdings) has resulted in acceptances for 216,000 shares (approximately 99.31 per cent.).

Valid acceptances have also been received for all the 10,000 4.9 per cent. Cumulative Preference shares. The offer has become unconditional and remains open.

ASSOCIATES DEALS

Rowe and Pitman Hurst-Brown bought for Jefferson Smurfit 100,000 Alliance Alders at 49.5p.

Hoare and Co. Govett sold 3,090 Inchcape at 398.5p average on behalf of an associate of Inchcape.

SHARE STAKES

Yule Catto and Co.—as a result of a variation in the number of shares held by Lord Catto as a trustee, his total holding has decreased by 6,936 to 1,606,920.

Hume Holdings — Rothschild Investment Trust has bought a further 180,000 "A" shares making its holding 6.09m. "A" and 47,668 "B" shares—in aggregate 27.2 per cent. of the issued "A" and "B" capital.

Maximum payment by Aquis

PROFIT OF the Aquis Securities group available for distribution for the year 1975, amounted to £183,675, with earnings per 5p share shown at 0.66p basic and at 0.60p fully diluted. Revenue included £80,000 from sale of buildings and land at gross contract prices.

For the previous 21 months accounting period, the available balance was £247,745 (including £123,708 income from sales and £57,734 transferred from reserves) and earnings were 0.76p basic, 0.94p fully diluted, per share.

Comparative figures have been restated to adjust for incorporation of deferred tax for both periods.

A final dividend of 0.351413p makes the year's net total the maximum permitted 0.576413p—total for the previous 21 months was 0.953803p. The company is controlled by Guardian Royal Exchange Assurance.

The directors have decided to incorporate in the balance sheet a professional valuation of U.K. leasehold investment properties with a term of less than 50 years remaining.

Accordingly, £457,000 has been so incorporated and a reduction from the 1972 valuation of £396,625 has been charged to reserves.

Apart from one major property they are satisfied that values of the remainder of the investment properties stemming from the 1972 valuations substantially reflect current values.

The directors estimate that at December 31, 1975 the book value of Atlas House, Cheapside, London, acquired from Guardian Royal Exchange Assurance in 1972 exceeds the market value by between £3m. and £4m.

As there is no present intention of disposing of this prime property they have decided against a costly professional valuation at this time. Should it become apparent during this year that the reduction in value is not of a temporary nature, then they intend to take the appropriate action.

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p*** Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. M Figures based on prospectus or other official estimate for 1976. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ¶ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ★ Rights by way of capitalisation. †† Tender allotment price. ◆ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ◆ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Mr. Jimmy Goldsmith's Anglo-French interests have evolved a complex deal which should result in the U.K. foods group **Cavenham**, already the beneficial holders of a 58 per cent. stake in **Générale Alimentaire** achieving full control of this French food concern. Another outcome will be that **Générale Occidentale**, together with its subsidiary **Anglo-Continental Investment and Finance**, will end up with over 50 per cent. of Cavenham, compared with their current combined stake of 39 per cent. To overcome exchange control problems, GO is making a share-exchange offer for the 19 per cent. of the GA equity held by the general public on the basis of one GO share for every two of GA. Cavenham will then, subject to the approval of its outside shareholders, issue 20m. of its shares (currently worth about £26m.) to GO in exchange for all the GA shares that Cavenham does not already own.

Lonrho has emerged with an agreed share-exchange bid, worth some £3.7m., for **Lubok Investments**, the former investment vehicle of Mr. Jim Slater who is accepting the offer in respect of his 16 per cent. shareholding. Lonrho shares, ex the pending 20 per cent. scrip issue, are being offered on the basis of 16 for every 100 Lubok Ordinary shares and 365 for every £400 nominal of the outstanding Lubok 12 per cent. Convertible Loan stock, 1984.

Jefferson Smurfit has raised its offer from 47p cash per share to 49½p for the 70 per cent. of the issued Ordinary shares of **Alliance Alders** not already owned (capitalising the whole equity at £8.5m.) and has gained the recommendation of the latter's Board.

Energy Finance and General Trust, together with clients, has purchased 49.9 per cent. of the issued Ordinary of **Selukwe Gold Mining and Finance** from **Estates House Investment Trust** at 22p per share. The same terms are being extended to other shareholders, although the intention is to maintain the Selukwe share quotation.

The Australian authorities have intervened in the bid battle for **Emu Wine**, a U.K.-registered company with mainly Australian assets, by imposing an interim order on the U.K.-based international traders **Inchcape**, preventing the latter from proceeding with its offer for a period of 90 days. This is to allow time for the Australian Government to consider whether the Inchcape bid should be permanently banned under the Australian Foreign Take-overs Act, 1975. Both Inchcape and rival bidders **Western Australian Worsted and Woollen Mills** have offered 170p cash for each Emu share but the latter, due to its Australian domicile, is being allowed to proceed with its bid for the 67½ per cent. of Emu not under its control.

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc't'ce date
Prices in pence unless otherwise indicated.						
Alliance Alders	49½*d	49½	41	8.5*d	Jeffrsn. Smrfit.	—
Ashbourne Invs.	20b	41½	41½	—	Cnt. & Shrwd.	—
Assam Cons.	30	18½	18½	0.4	Hampton Tst.	—
Bank Bridge	3½	3½	5½	0.6	Tranwood	—
British Benzol	23½	22	26	2.2	Tranwood	—
Cessnock	254	240	240	1.9	McLeod Russel	—
Chaddesley Invs.	6½*d	15	8	0.1*d	Cie. Aux. Pour L'Industrie	—
Ciro Holdings	14d	11½	14	0.6d	Howard & Wyndham	—
Clover Dairies	168	162	92	10.1	Nthrn. Foods	—
Coated Metals	143*	142	75	1.6*	Walker (C.)	12/3
Consolidated Tea	343	340	360	4.1	McLeod Russel	—
Dares Estates	2*d	12½	12½	0.05*d	Prvte. Constrn.	—
E. Sussex Engrg.	30*d	32	22½	1.9*d	Aurora Hldgs.	—
Emu Wine	170*d	170	127	1.7*d	Western Aust. Worsted	12/3
Emu Wine	171	170	160	2.6	Inchcape	—
Felixstowe Dock	150*	132	90	5.2*	Brit. Transport Docks Board	—
Felixstowe Dock	104	132	132	6.8	Eurpn. Ferries	17/3
Frost & Reed	137d	133	136	1.4d	HTV	—
Highgate Optical	39*d	36	35	0.3*d	Bayfine	—
Lubok Invs.	15½	15	10½	3.7	Lonrho	—
New Ireland Ass.	110*d	115	98	3.8*d	PMPA Insur.	—
SA Distilleries	260d	270	650	42d	Oude Meester	—
Selukwe Gold	22*d	24	17	0.16*d	Energy Fin. & Gen. Tst.	—
Teith Hldgs.	422	400	330	4.0	James Finlay	—
Thompson-Reid	27½	28	15	0.8	Charles Hurst	—
Tilley Lamp	50*d	48	38	0.2*d	Mr. R L Hersov	—
Totalisators & Greyhound	15*	15	14	1.1*	Ladbroke	—
Warwick Eng.	26	24	21	1.6	Gidney Ind. Invests.	—
West Nile	422	400	330	2.8	James Finlay	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 5-3-76. k Based on 4-3-76. ‡ At suspension. † Bid.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
TCK Group	Dec. 31	138	(149)	14.25	(16.00)	5.5412	(5.192)
Unilever Ltd. & NV	Dec. 31	325,600	(333,200)	38.1	(41.76)	13.67a	(12.09)
U.S. Debenture	Jan. 31	2,243d	(2,074)d	2.84	(2.68)	2.66	(2.42)
Youghal Cpts. Hld.	Dec. 31	1,652	(1,617)	12.1	(8.3)	8.75	(8.75)
Agar Cross	Mar. 31	117	(41)L	8.4	(—)	Nil	(Nil)
Barclays Bank	Dec. 31	137,500	(158,100)	30.6	(38.2)	8.9931	(8.294)
BCA	Dec. 31	568	(436)	3.00	(2.4)	2.0276	(1.86)
Blagden & Noakes	Dec. 31	2,400	(3,100)	18	(25)	5.48	(5.136)
Bonser Enginrg.	Nov. 30	373	(466)	2.86	(3.88)	1.174	(1.100)
Bridgewater Ests.	Dec. 31	548	(475)	10.5	(8.7)	8.0229	(7.518)
British Vita	Dec. 31	2,331	(1,982)	18.1	(14.5)	3.48	(3.434)
Commercial Union	Dec. 31	10,000L†	(59,000)	—	(12.26)	—	(—)
Family Inv. Trust	Jan. 31	121¶	(119)¶	2.75	(2.71)	2.7	(2.5)
First Scot. Am. Tst.	Feb. 2	757¶	(696)¶	2.51	(2.3)	2.3	(2.2)
Giddings & L. Frsr.	Dec. 31	498	(402)	31.4	(29.6)	—	(—)
Greenfield Milletts	Oct. 31	553	(551)	2.62	(2.55)	0.9975	(0.935)
Jnkn. & Prsr. Hlds.	July 31	31L	(45)L	—	(—)	Nil	(Nil)
Joseph Shakespre.	Dec. 31	703	(501)	7.86	(4.86)	0.798	(0.75)
Langanvale Ests.	Apr. 30	156L	(80)L	—	(—)	Nil	(Nil)
Metalrax Holdings	Dec. 31	812	(764)	3.71	(3.33)	1.115	(1.026)
Newey Group	Jan. 4	98L	(886)	—	(16.3)	2.0	(7.99)
Nu Swift Industs.	Dec. 31	705	(669)	1.69	(1.48)	1.275	(1.195)
Prov. Financial	Dec. 31	4,584	(2,957)	5.48	(3.18)	3.9665	(3.966)
Reardon Smith	Mar. 31	4,646§	(6,169)	27.3§	(29.00)	2.7422	(2.826)
Royal Insurance	Dec. 31	32,400	(15,000)	13.9b	(8.86)	13.387‡	(12.54)
Sedgwick Forbes	Dec. 31	10,384	(8,573)	14.1	(12.9)	7.81	(7.32)
Silkolene Lubrcts.	Dec. 31	770	(745)	8.9§	(8.6)§	1.785	(1.638)
Sungei Krian	Dec. 31	294	(482)	80.6	(106)*	32.31c	(32.31)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
F. Austin (Leyton)	Dec. 31	246	(190)	0.14	(0.14)
Black Arrow Grp.	Sept. 30	c 42	(156)	Nil	(0.67)
Campari	Dec. 31	280	(174)	0.858	(0.804)
Diploma Invests.	Dec. 31	1,025	(786)	0.7951	(0.7229)
EGA Holdings	Oct. 31	514	(396)	0.4125	(0.375)
EMI	Dec. 31	29,562	(16,325)	3.1	(2.625)
Excalibur Jewellry	Oct. 31	352	(334)	0.2142	(0.2077)
Fox's Biscuits	Oct. 22	463	(108)	1.5	(1.25)
R. Green Props.	Dec. 31	151	(260)	0.5	(0.5)
Hensher	Sept. 30	235	(131)	2.3	(1.9)
Hindson Print Grp.	Dec. 31	63	(129)	1.05	(1.05)
Homfray	Jan. 3	1,128	(1,088)	1.3125	(1.3125)
J. Jarvis & Sons	Sept. 30	244	(236)	3.5	(3.3)
J. & J. Dyson	Sept. 30	576	(572)	1.2562	(1.2562)
Leisure & General	Oct. 31	645	(540)	0.935	(0.85)
R. P. Martin	Dec. 31	343	(278)	2.5	(2.5)
Mitchell Cotts	Dec. 31	384	(317)	1.55	(1.05)
Myddleton Hotels	Dec. 31	208	(143)	1.4625	(1.5075)
Peters Stores	Dec. 27	311	(287)	1.075	(1.075)
Prestwich Parker	Dec. 31	140	(154)	0.8125	(0.8375)
Stocklake	Sept. 30	379	(438)	0.75	(Nil)
Utd. City Mrchnts.	Dec. 31	1,210	(1,070)	0.55	(0.5)
Utd. Industrial	Dec. 31	23	(29)L	0.1625	(Nil)
Willows Francis	Dec. 31	91	(54)L	0.75	(Nil)
W'hmptn Die Cast.	Dec. 31	137	(113)	0.585	(0.55)

* Adjusted for any intervening scrip issue. † Unaudited figures. ‡ On capital increased by Rights issue. § Estimated. ¶ Revenue after tax. a Ltd. only. b Unadjusted for Rights issue. c Interim in lieu of final. d Total revenue. L Loss.

Offers for sale, placings and introductions

Greater London Council: Loan stock (£100m.) 12½ per cent. 1983 at £96½ per cent.

Sutton District Water Company: Offer for sale by tender (£3) 8 per cent. Redeemable Preference stock 1981 at minimum £99 per cent.

Rights Issues

J. H. Dennis: One for four at 30p each.

Diploma: One for nine at 50p each.

Crown House: One for five at 21p each.

S. Hoffnung: One for four at 55p each.

Scottish Metropolitan Property Company: Issue of 9 per cent. Convertible Unsecured Loan stock (£.42m.) dated 1992-1996 at par on one for nine basis.

Cartiers Superfoods progress

Profits of Rochester based **Cartiers Superfoods** more than trebled from £121,815 to £370,726 in 1975 on a doubled turnover of £6.86m. And the directors anticipate that current year turnover will exceed £12m.

In 1975 the sales area was increased from 73,000 square feet to 132,000 square feet.

This year the original Thanet branch has been relocated to a larger site and work has already commenced on two other sites acquired for relocation and units which will increase sales area by a further 27,000 square feet in 1976.

CUSTOM COIL COATERS

To avoid confusion, the Financial Times has been asked to point out that Custom Coils, a company recently bought from a Receiver for £225,000 and formerly a subsidiary of Charles Spreckley, the building and property group, is not connected with Custom Coil Coaters, a successful subsidiary of Frederick Cooper (Holdings).

Notts Mfg. sales expansion

THE FORWARD order position of **Nottingham Manufacturing** is good and sales to date show an increase over the corresponding period last year, the chairman, Mr. H. A. S. Djanogly, says in his annual report.

The financial position is strong and can be deployed for the long term interest of the group as circumstances dictate, he adds.

The chairman is satisfied the group is better equipped to deal with difficulties that may arise this year and, if economic circumstances are favourable, he is sure that a satisfactory result can be achieved.

As reported on February 26, pre-tax profits for 1975 amounted to £8.02m. against £8.43m. and the net total dividend is raised from 2.42275p to a maximum permitted 2.640275p.

Last year was not easy, the chairman says, and it was recognised some time before it that the long standing policy of reviewing operations critically should be intensified. This policy has been shown to be justified by the improved results of the second half of 1975, when measures taken to improve efficiency coupled with increased sales produced a significant improvement from the particularly difficult trading conditions during the first half, he points out.

Equity capital employed including retained profits, at the year end amounted to £34.68m. and this is the financial base for expansion of group activities and for the continuous process of investment in the most modern plant and equipment, says the chairman.

As indicated last year a cautious approach to additional investment in new buildings and plant was being taken. Capital expenditure in 1975 nevertheless amounted to £2.63m. and commitments at December 31, 1975 amounted to £2.17m.—while new capital projects are still being viewed with caution, the group will not hesitate to invest in suitable projects and new plant if it can be seen to be justified.

Liquid assets have been further increased to over £20m. and represent 56.7 per cent. of total equity capital employed.

Executors of the estate of the late Mr. Marks Cohen are interested in 11.14 per cent. of the Ordinary and Mrs. G. Cohen 10.3 per cent.

Meeting, Mansfield, March 31 at 10.30 a.m.

Meeting, 242 Church Road, E., March 31, noon.

Chairman's statement Page 9

Rawlings Bros.

Mr. Arthur Haydock, chairman of **Rawlings Bros.**, builders, tells holders that further rationalisation is being investigated together with an improvement in cash utilisation.

The forward order position on the residential side is showing steady improvement, and a further increase in the number of dwellings sold this year is anticipated.

Allied Textile growth prospect

FIRST-QUARTER management accounts of **Allied Textile Companies** compare favourably with those for the same period last year, states chairman, Mr. J. E. Lumb.

There is now no significant loss making in any part of the group, and while it is impossible to forecast the likely outcome of the year to September, 1976, "it can be unequivocally stated that ATC is well prepared to progress and, perhaps even more important in the context of the U.K. economy, very well capable of weathering any further downturn," he declares.

The balance sheet shows a substantial strengthening of the liquid position. By end December, 1975, the group's net bank balances were about £1m. in credit—substantial facilities for bank borrowing remain unaltered, thus ensuring adequate working capital when required for expansion, either by organic growth or acquisition.

This improved liquidity was after allowing for capital spending of £1.7m. A further expenditure of £0.75m. is planned.

Meanwhile the saving on interest payable compares "more than favourably with the most optimistic profit expectations of production capacity phased out last year."

As reported on January 29 pre-tax profits for 1974-75 were £1.5m. (£2m.) and the dividend is increased by the maximum allowed to 5.279p a share, still covered more than twice. Exports totalled £4.43m. against £4.82m.

Meeting, Huddersfield, April 1.

Reed Paper downturn

From higher sales of $C[illegible]m. against $[illegible]m., net earnings of **Reed Paper**, Canadian subsidiary of Reed International, were $12.31m. in 1975 compared to $34.28m., equal to $1.29, against $4.91 per share.

After extraordinary items, earnings amounted to $11.11m., or $1.13 per share.

Metal Inds. margins down

ON A TURNOVER up from £16.07m. to £20.31m., pre-tax profit of **Metal Industries** was slightly lower at £2.35m., against £2.42m., for the half year to September 30, 1975. Profit for the year to March 31, 1975 was £5.25m.

After tax of £1,252,000 (£1,277,000), the profit attributable to the Ordinary was £1,045,000 against £1,097,000. The company is a subsidiary of Thorn Electrical Industries.

Parkinson Cowan, another Thorn subsidiary, reports a first half fall in profit from £792,000 to £657,000, on a turnover of £10.91m., against £9.43m., including exports of £2,142,000, compared with £1,699,000. Profit for the year to March 31, 1975 was £1,784,000.

The six months profit is struck after depreciation £159,000 (£169,000) and interest £96,000 (£116,000).

Tax takes £324,000 (£453,000), and profit attributable to Ordinary is £329,000 (£334,000).

Good demand at Cornell

Currently, the demand for products of **Cornell Dresses** is satisfactory and every effort is being made to increase the market share, the chairman, Mr. S. Cohen says in his annual report.

As reported on February 20, pre-tax profit for 1975 was £124,936 against £119,105 previously and the dividend is again 1.12p net. Turnover for the year increased from £1.43m. to £1.69m.

The chairman reports that the usual and expected Christmas demand in the retail trade failed to materialise and the company had to carry forward larger stocks of made up goods than has been normal in the past; a conservative valuation has been made of these stocks.

This resulted in a "smaller profit increase than might otherwise have been expected."

Mr. D. F. Walton reports

Confidence in Group's inherent ability and strength

At the Annual General Meeting of Thos. W. Ward Ltd., held in Sheffield on 5th March, 1976, Mr. D. F. Walton, Chairman and Managing Director, in the course of his review said:

The Group trading profit of £11,278,000 shows an increase over the previous year's figure of £11,080,000 on turnover up from £146,582,000 to £188,094,000, but the net profit after charging interest has reduced from £7,874,000 to £6,878,000.

This downturn in profits results principally from the effect on our margins of the reduced levels of economic activity in the second half of the year, particularly in the Iron and Steel activities, and to trading losses incurred by Marshall-Fowler Ltd. prior to disposal of its business (announced in September 1975), the scale of which could not be foreseen earlier in the year.

The total gross dividend for the year of 5.625p is equivalent to that paid for 1974. Your Board are confident that the Group has the inherent ability and strength to increase its profitability when economic conditions improve.

PROSPECTS FOR 1975/76

Since March last year the majority of our operations, in common with much of British industry, has been running at reducing levels with smaller margins, particularly in the case of the Engineering and Iron and Steel activities.

In the Construction sector, the cement companies, which are its major constituent, had a reasonable year under the circumstances of 1975 and we would expect this to be the case again in 1976. Our Motor Vehicle Distribution companies had a creditable year in 1975, but they will not maintain these results during the current year. In the Industrial Services sector where activities are mainly merchanting, if the hoped for economic recovery does materialise its results will improve.

Concluding his review, Mr. Walton said: I have referred to the external constraints which affect the Group, but there are other areas within the Group where performance requires improvement. Action has been taken in a number of these areas and is being taken in others. With the support I am receiving from all within the Group I am confident of a successful outcome when the economy recovers.

The Board are raising the sum of nearly £6 million by a rights issue on the basis of one new Ordinary Share at a price of 46p per share for every three Ordinary Shares held. The proceeds of the issue will initially reduce the overdrafts and will subsequently be used to finance the remaining portion of the investment programme in the cement subsidiary.

Salient figures for the last five years

	1975	1974	1973 (15 months)	1972	1971
	£'000	£'000	£'000	£'000	£'000
Turnover	188,094	146,582	153,615	86,617	77,800
Profit before Tax	6,878	7,874	7,959	5,563	4,552
Profit after Tax	2,789	3,707	4,694	3,310	2,707
Profit relating to Thos. W. Ward Limited	3,438	1,161	4,448	2,867	2,488
Basic earnings per share	7.2p	9.5p	11.8p	8.0p	8.0p
Gross Dividend per Ordinary Share	5.6p	5.6p	5.6p	5.0p	4.4p

THOS. W. WARD

Thos. W. Ward Ltd. Head Office, Albion Works, Sheffield

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Mixed trend in lower volume

BY OUR WALL STREET CORRESPONDENT

NEW YORK, March 5.

A MIXED TREND prevailed after an early advance collapsed on Wall Street to-day, amid speculation that the Federal Reserve may not have to tighten U.S. monetary policy over the near-term.

After opening 6.30 up at 976.94, the Dow Jones Industrial Average came back to 972.92, for a net rise of 2.28, and a gain of 0.31 on the week. The NYSE All Common Index, at $53.05, was up 10 cents on the day but off 30 cents on the week. Gains and losses were evenly matched at 726-to-718, while the trading volume further decreased 1.38m. shares to 23.03m.

Analysts said optimism was tempered by the apparent slow-down of Institutional support.

In the news background the Government reported a decline in the unemployment rate to 7.6 per cent. in February from 7.8 per cent. a month earlier.

IBM rose $1¼ to $257⅞—it introduced two new plain paper copying machines.

National Semiconductor moved up $1½ to $49⅞. Lockheed Aircraft $1 to $10⅛, U.S. Steel $1¼ to $82⅞, and Ford Motor $1¾ to $53⅞.

Mississippi River slipped $⅞ to $31 but Missouri Pacific Railroad advanced $2⅞ to $25⅜ (on the American SE). MR is seeking an exchange offer for all MPR Common Preferred shares.

Weyenzberg Shoe were lifted $1¾ to $23½ on sharply higher fourth quarter net.

Holidays Inns were off $¾ to $17—it filed for a 1m. Common share offering.

OTHER MARKETS

Canada firm

All sectors were firm in moderate to active trading on Canadian Stock Markets yesterday.

The Industrial Share Index rose

The American SE Market Value Index moved up 0.47 to 103.65, for a net rise of 0.28 on the week, although declines outnumbered advances by 365-to-325.

0.86 to 192.67, Golds 2.22 to 327.80, Base Metals 1.01 to 87.34, Western Oils 0.66 to 219.07, Utilities 0.23 to 138.86, Banks 0.31 to 245.45 and Papers 0.56 to 126.73.

PARIS—Small gains predominated, reflecting Patronat report forecasting expansion in first half year, together with recent signs of upturn in domestic demand.

Banks, Holdings, Electricals and Metals steady to slightly higher, Foods and Constructions mixed, Motors, Rubbers, Petrols and Chemicals eased.

Germans mixed, Golds steady, Coppers eased.

BRUSSELS—Widely lower in calm trading.

Gevaert depressed by its lower profits.

Germans rose, U.K. and Dutch issues eased, U.S. shares fell, Gold Mines continued their recovery.

AMSTERDAM — Generally weaker in quiet conditions.

Naardem rose Fls.1.5 to Fls.52, despite its 1975 loss and dividend omittance.

Dutch State Loans virtually unchanged.

GERMANY.— Well-maintained, with some sectors firm, notably Metals, Stores and Banks.

Mannesmann gained DM2 on its expectation of good profits for 1975.

Engineerings and Motors eased. Public Bonds firmed, as the

OSLO—Bankings, Shippings and Insurances barely steady, Industrials quiet.

VIENNA—Generally steady in dull activity.

COPENHAGEN — Mixed in moderate dealings.

MILAN—Down an average 2 per cent. in active trading, attributed to technical factors and expected two points rise in interest rates on covering operations.

SWITZERLAND — Narrowly mixed.

Major Banks and Insurances slightly irregular, Financials rose. Chemicals mixed. Small losses predominated in Industrials.

HONG KONG — Lower in moderate trading.

TOKYO — Slightly higher. Volume 300m. (270m.) shares.

Steels firmed on a reported recovery in steel exports, which also boosted shipbuildings and Heavy Electricals.

Textiles, non Ferrous Metals and some Foods were also in demand, encouraged by a rally in Domestic Commodity Markets.

Paper-Pulps, Chemicals, Petroleums and Electric Powers eased on profit-taking.

AUSTRALIA—Again firmer, led by the Energy stocks, particularly Uraniums.

Pancontinental rose $A1.0 to $A13.80 and Peko-Wallsend 14 cents to $5.24. Utah gained 30 cents to $10.40 and Thiess 6 cents to 1.96.

BMI put on 5 cents to 1.25 on its results.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus.	Util.	Trading volume 000's
Mar. 5	72.18	205.21	972.92	85.79	25,050
4	72.13	204.22	970.64	86.08	24,410
3	72.11	205.96	973.23	86.82	25,400
2	72.15	206.79	985.12	87.62	25,590
1	72.27	205.29	975.36	87.33	22,070
Feb. 27	72.09	206.53	972.61	87.58	28,940
26	72.10	206.32	978.83	87.68	34,530
25	72.09	206.39	994.57	87.97	34,680
24	71.84	206.79	995.56	87.67	34,380
23	71.64	207.22	985.28	88.29	31,460
20	71.72	206.94	987.80	89.37	44,510
19	71.66	206.64	975.76	88.34	30,210
18	71.60	203.64	960.09	88.48	43,900
17	71.43	202.61	950.57	87.52	25,460
13	71.36	200.96	958.36	88.03	25,870
12	71.32	201.31	946.73	89.15	28,610
11	71.28	202.75	971.91	89.31	32,300
10	71.21	200.41	968.75	89.60	27,660
1975-76 High	72.27 (1/3/76)	206.99 (25/2/76)	994.57 (24/2/76)	91.90 (4/2/76)	—
Low	66.76 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	44,510 (20/2/76)
Low	—	13.23 (8/7/32)	41.22 (8/7/32)	10.58 (28/4/42)	—

† Excluding bonds.

IND. DIVIDEND YIELD p.c.

Feb. 27	Feb. 20	Feb. 28, 1975
3.78	3.74	5.20

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975-76 High	Low	Mar. 5	Mar. 4	Mar. 3	Mar. 2	Mar. 1
54.62 (24/2/76)	37.66 (2/1/75)	53.05	52.95	53.51	53.82	53.60

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,846	726	718	402

	Mar. 5	Mar. 4	Mar. 3	Mar. 2	Mar. 1
New Highs	55	65	89	107	61
Lows	four	two	none	one	three

AMERICAN SE MARKET VALUE INDEX

Starting base 100 August 31, 1973.

1975-76 High	Low	Mar. 5	Mar. 4	Mar. 3	Mar. 2	Mar. 1
105.25 (25/2/76)	62.20 (2/1/75)	103.65	103.18	103.74	103.97	103.41
Volume (000's)		4,060	3,670	3,950	4,350	4,020

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Mar. 5	111.42	99.11
4	111.17	98.92
3	112.58	99.98
2	113.06	100.56
1	112.43	100.02
Feb. 27	112.02	99.71
26	112.46	100.11
1975-76 High	114.67 (20/2/76)	102.43 (24/2/76)
1975-76 Low	77.71 (8/1/76)	70.74 (8/1/76)

* 425 Industrials. † 425 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	Mar. 3 1976	Feb. 25 1976	Mar. 12 1975
Ind. Ord. yield pc	3.37	3.51	4.07
Ind. Ord. p/e ratio	13.81	13.75	9.50
Long-term Govt. Bds. per cent.	5.91	5.77	6.04

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Litton	477,700	16	−⅛
Teleprompter	465,500	10⅛	+1⅛
Lockheed Aircraft	359,900	10⅛	+1⅛
Levitz Furniture	310,300	8⅛	—
Massey Ferguson	296,400	32	+⅝
Chrysler	216,300	19⅛	+⅛
Whittaker	166,300	5⅛	+⅛
General Motors	170,900	68⅛	+⅛
Xerox	170,600	62⅛	—
Technicare	166,900	33	−2⅛

TORONTO

INDUSTRIAL INDEX

Mar. 5	Mar. 4	1975-76 High	1975-76 Low
192.67	191.91	197.43 (20/2)	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

Mar. 5	Mar. 4	1975-76 High	1975-76 Low
201.39	200.24	205.67 (23/2)	159.03 (2/1)

COMBINED INDEX

Mar. 5	Mar. 4	1975-76 High	1975-76 Low
193.52	192.51	195.87 (23/2)	158.05 (2/1)

JOHANNESBURG

	Mar. 5	Mar. 4	1975-76 High	1975-76 Low
Industrials	199.8	199.2	226.9 (15/7)	188.2 (25/1)
Golds	223.5	222.7	379.1 (12/1)	199.2 (9/12)

(1958=100.) Source: Rand Daily Mail.

MELBOURNE YIELDS

Av'ge yield on 50 Leading Stocks	Mar. 4	Feb. 26	Feb. 19
On Dividends	5.48	5.46	5.67
On Earnings	8.90	8.91	9.29

SYDNEY ALL ORD. INDEX

Mar. 5	Mar. 4	High 1975-6	Low 1975-6
465.25	462.55	472.06 (23/1/76)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

Mar. 5	Mar. 4	High 1975-76	Low 1975-76
342.90	342.54	342.90 (5/3/76)	268.24 (10/1)

HONG KONG INDEX©

Mar. 5	Mar. 4	High 1975-6	Low 1975-6
435.15	438.00	450.65 (1/3/75)	160.42 (9/1)

SINGAPORE INDEX§

Mar. 5	Mar. 4	High 1975-6	Low 1975-6
268.46	265.98	286.16 (5/2/76)	153.26 (3/1)

EUROPE

	Mar. 5	Previous	1975-6 High	1975-6 Low
Belg'm (a)	108.90	109.20	113.81 (6/2/76)	89.07 (2/1)
Denm'k (b)	100.70	100.81	107.79 (27/1/76)	73.06 (15/1)
France (d)	74.0	74.0	74.3 (5/3/76)	51.70 (2/1)
Germ'y (e)	797.1	796.6	797.1 (5/3/76)	573.5 (2/1)
Holland (f)	101.2	101.2	107.6 (6/5)	83.2 (2/10)
Italy (g)	85.59	86.31	102.36 (21/2)	76.41 (17/10)
Spain (h)	89.25	89.91	110.96 (22/4)	83.23 (5/3/76)
Sweden (k)	402.35	403.85	419.65 (9/2/76)	310.26 (9/1)
Switz'r'ld (m)	295.0	295.6	297.7 (15/1/76)	205.5 (2/1)

Indices and base dates (all base values 100):— (a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December 1953. (f) Amsterdam Industrial 1970. (g) Milan 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ◊ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

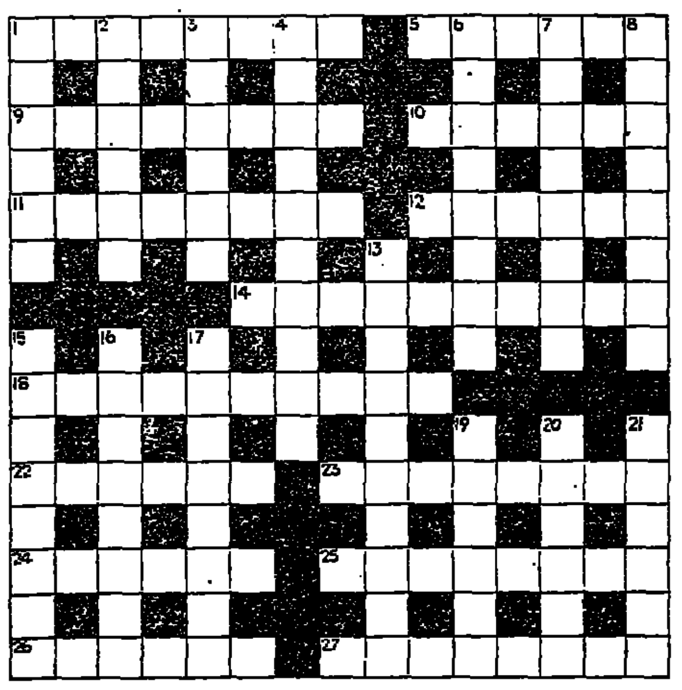
F.T. CROSSWORD PUZZLE No. 3,023

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....



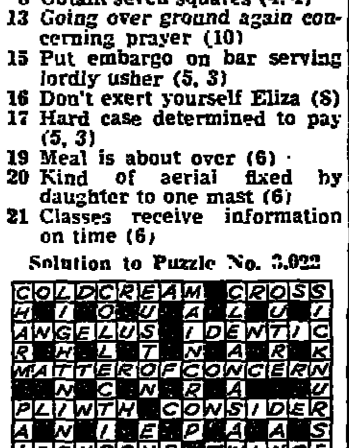
ACROSS

1 Towards the business centre of urban Neath (8)
5 Ventilation of first-class arena (6)
9 Winner's tally beats one heart (3, 5)
10 Writing for bonus issue before Tuesday's opening (6)
11 Soldiers on guard in Georgia have rights over one boy (8)
12 Beginner without defects (6)
14 Confection pinned up on the wall (6-4)
18 Social climber on safari (4, 6)
22 Hot stuff for cold individual (6)
23 Words from biography could prevent a drowning (4-4)
24 Share speech but first ring off (6)
25 Peg prior to seeing opera (8)
26 Twosome that turned out Ted (6)
27 Accursed thing referred to in three articles by mother (8)

DOWN

1 Point to period of senility (6)
2 Performers on the screen keeping motorist in sight (6)
3 Diplomacy one church leader uses as stratagem (6)
4 Things still to do in palmistry (4, 2, 4)
6 Very well off at home with 150 left (2, 6)
7 One Northern Ireland motorway an American state finds unfavourable (8)
8 Obtain seven squares (4, 4)
13 Going over ground again concerning prayer (10)
15 Put embargo on bar serving lordly usher (5, 3)
16 Don't exert yourself Eliza (8)
17 Hard case determined to pay (5, 3)
19 Meal is about over (6)
20 Kind of aerial fixed by daughter to one mast (6)
21 Classes receive information on time (6)

Solution to Puzzle No. 3,022



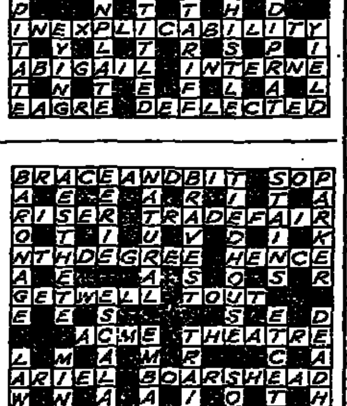
SOLUTION AND WINNERS OF PUZZLE No. 3,017

Following are the winners of last Saturday's prize puzzle:

Mr. B. Cozens, 113 Prince of Wales Road, Coventry CV5 8GS.

Mrs. V. M. Giles, Flat 1, The Beacon, Exmouth, Devon EX8 2AG.

Mrs. D. W. Trevor, Montaza Cottage, Pool Lane, Walton, Warrington WA4 6E.



RACING

BY DOMINIC WIGAN

Easy for Valmony at Haydock

VALMONY, WHO has greatly improved since failing by a head to give Golden Rifle 10 lb. in the Daily Express Triumph Hurdle trial at Cheltenham three months ago, seems set to gain his sixth success of the season in to-day's Victor Ludorum Hurdle at Haydock.

David Morley's Val de Loir horse has won three valuable events since his narrow Cheltenham defeat—Leicester's Wigston hurdle, the Stourbridge Hurdle at Wolverhampton and Newbury's Stroud Green Hurdle.

By far his most impressive display was his performance in the Stroud Green three weeks ago, when he rallied gamely under pressure to get up close home to beat Soldier Rose —to whom he was conceding 10 lb — by 1½ lengths, with Line Shooter a further half-length away in third place.

In spite of the presence of Sweet Joe, a five lengths winner from Gaelic, to whom he was conceding 5 lb, at Newcastle last month, and Mick O'Toole's Irish challenger, Hunters Gift, Valmony should have few problems. I expect to see him followed home by Hunters Gift, who landed a 20-runner event in impressive style at Navan recently.

With Donald McCain so confident that he can lift a third Grand National with Red Rum, it will be interesting to see how this remarkable chaser fares with top weight of 11st 13lb in the 3-mile Greenall Whitley Breweries Chase.

Red Rum, who will be ideally suited by the prevailing fast conditions, may well go close, but I doubt he will deal with either Royal Frolic or Glanford Brigg. The last-named is the selection.

A year ago to-day John Francome, the favourite for the jockey's championship, had a profitable time at Newbury, landing a double through Tessie's Boy and Lord Browndodd, and he could be in for another successful afternoon today.

Young Octavius, Brawny Scot and Little Catworth all seem likely to win for him. Young Octavius, who shaped well on his seasonal debut in a division of the Durham Ranger Novices Hurdle at Ascot seven weeks ago, is a reasonably confident choice for the opening event, Div. I of the Whatcombe Novices Hurdle.

At Hereford's Racegoers Club concession day meeting, where former Miss Great Britain, Carolyn Moore, and other Playboy Bunnies will be in attendance for the Playboy Bookmakers Chase, the Queen Mother's progressive five-year-old Coleman, seems likely to give his supporters a good run in the Knight Frank and Rutley Hurdle final.

The New Zealand horse Cartwright, who ran with great promise when fourth behind Lanzarote in the Ladbroke Kingwell Hurdle at Wincanton on February 26, is confidently expected to take the Landon Memorial Hurdle.

SELECTIONS:

HAYDOCK

1.30—The Alickadoo
2.00—Valmony*
2.30—Glanford Brigg
3.00—John's Knapp
3.30—Prince Ardent
4.00—Winter Chimes*
4.30—Destiny Hill

NEWBURY

1.30—Young Octavius***
2.00—Brawny Scot
2.30—Black Andrew
3.00—Into View
3.30—Little Catworth
4.00—Perversity

HEREFORD

1.45—Even Dawn
2.15—Gay Viking
2.45—Coleman
3.45—Cartwright**

SPAIN ♥

March 5	Per cent.	+ or −
Asland	210	− 4
Banco Lopez Quesada	670	− 7
Banco Bilbao	625	−10
Banco Atlantico (1,000)	492	− 2
Banco Central	810	− 8
Banesto (250)	560	− 5
Banco Exterior	575	—
Banco General	827	—
Banco Granada (1,000)	367	− 3
Banco Hispano	500	− 5
Banco Iberico	618	—
Indubán	378	—
Banco Ind. Cat. (1,000)	389	− 3
Banco Mercantil (1,000)	849	−12
Banco Occidental	412	—
Banco Popular	611	− 7
Banco Santander (250)	884	− 5
Banco Urquijo (1,000)	577	− 5
Banco Vizcaya	642	−10
Banco Zaragozano	883	− 5
Bankunion	350	—
Banus Andalucia	255	− 1
Altos Hornos	133	− 2
Babcock Wilcox	112	− 1
CIC	342	—
Dragados	765	—
Inmobanif	138	—
E. I. Aragonesas	131	− 4
Espanola Zinc	[illegible]	—
Expl. Rio Tinto	[illegible]	+ 1
Fecsa (1,000)	116	− 1.50
Fenosa (1,000)	199.50	− 2.50
Financiero SA	325	− 5
Finanzauto Servicios	393	− 6
Gal. Preciados	330	—
Grupo Velazquez (400)	380	—
Hidrola	125.50	− 0.25
Iberduero	156	− 4
Motor Iberica	220	− 3
Olarra	622	−13
Papeleras Reunidas	279	− 9.50
Petroliber	262	—
Petroleos	412	+ 5
Sarrio Papalera	192	—
Sniace	96	− 2
Telefonica	176	− 1
Tubacex	363	− 3.50
Union Elec.	122.50	− 2.50
Union y Fenix	625	—
Urbis	195.25	− 0.75

NOTES: Overseas prices exclude $ premium. Belgian dividends are shown after withholding tax.

◆ DM50 denom. unless otherwise stated. ♣ Kr 100 denom. unless otherwise stated. ♥ Ptas.500 denom. unless otherwise stated. ♦ Frs.500 denom. unless otherwise stated. ? Yen 50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. : Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. ∆ Interim since increased. * Bid. § Traded. ‡ Seller. z Assumed increased.

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY ◆

MILAN

AUSTRALIA

BRUSSELS/LUXEMBOURG

SWITZERLAND

PARIS

TOKYO

AMSTERDAM

JOHANNESBURG

COPENHAGEN

STOCKHOLM

OSLO

VIENNA

هكذا من الأصل

APPOINTMENTS

Changes at TI Steel Tube

Mr. J. H. Spurr has been appointed manufacturing director of the steel tube division of TUBE INVESTMENTS in place of Mr. H. J. A. Johnson, who takes over the technical functions in TI previously carried out by Sir James Menter. Mr. Spurr becomes a member of the five-man management committee of the steel tube division. He has been succeeded as managing director of TI Chesterfield by Mr. D. A. Scott, formerly a director of Accles and Pollock and general manager of the company's plain tube division. Mr. Scott now joins the TI steel tube division advisory Board.

★

Mr. John Britten and Mr. Desmond Norman are leaving the FAIREY COMPANY. At the time of the acquisition of Britten-Norman in 1972, both of the original founders of the aircraft firm agreed to stay with Fairey until the business had been fully integrated in the Fairey Aviation Division.

This situation has now been achieved with production of Islander and Trislander aircraft on programme in Fairey's Belgian factory and the transfer of the commercial department to the new Fairey offices at Heston.

Both Mr. Britten and Mr. Norman retain ties with Fairey and it is the intention that they should assist in specific design and marketing projects. They are interested in the development of new aircraft now that the Islander and Trislander have been so successfully launched.

★

FITZWALTER WRIGHT, East Anglia merchant banker, has made the following changes in its Board. Mr. F. G. Rollason, a director, becomes chairman, with Mr. William Le G. Jacob continuing as sole managing director. Mr. Alan Jackson is appointed director in charge of banking. Mr. John Wright has resigned as chairman, and Mr. Christopher Stacy Waddy as joint managing director.

The bank changes its name to East Anglian Securities Trust from March 12 and will move to a new head office in Colegate, Norwich, while retaining its branches at Theatre Street, Norwich, and Princes Street, Ipswich.

★

Mr. Derek L. Fytche has been appointed managing director designate of LONDON COUNTRY BUS SERVICES following the previously announced retirement of the present managing director Mr. Cyril Buckley on July 31. Mr. Fytche is at present director and controller of National Travel (NBC) at Victoria. He takes up his new position on May 1 and assumes full responsibility on August 1.

★

Mr. T. W. Fleming has been appointed director of management fee contracting in the building division of JOHN LAING CONSTRUCTION.

★

Mr. O. R. Crutch has been appointed production director of SIMON ENGINEERING DUDLEY.

★

Mr. David M. Clement is to retire from the NATIONAL COAL BOARD on April 2. He will continue as chairman of NCB (Ancillaries) on a part-time basis.

★

Mr. Philip Wright is resigning from the chairmanship of JOHN WRIGHT AND SONS, but will remain on the Board, with effect from April 1. Mr. David Kingham has joined the company as publishing director. Mr. Charles Clarke has been appointed chairman and Mr. Peter Wilson vice-chairman.

★

Mr. J. R. Neville has been appointed chief management accountant in the finance division of the BRITISH GAS CORPORATION. He replaces Mr. N. Blacker, who has become director of finance at Northern Gas.

★

Mr. John Irvine has been appointed secretary of DELTA METAL ELECTRICAL (HOLDINGS), the headquarters of the electrical division of Delta Metal Group.

★

Mr. J. S. Hine has resigned as director and chairman of BRABY LESLIE and its subsidiaries but will continue his association with the group as a consultant. Mr. Eric Izod, a non-executive director, has been appointed acting chairman.

★

Mr. B. W. Durrant has joined the Board of HENRY WIGGIN AND CO.

★

Mr. S. J. Robinson has retired from the Board of N.Z. FOREST PRODUCTS. Mr. J. E. Henry has been appointed a director.

★

Mr. Mark Goulden, chairman of W. H. ALLEN AND COMPANY, will relinquish his office this month. His contract with the company was due to expire in December 1976 but, at his request, it has been mutually agreed that the termination date will now be advanced.

★

Mr. N. McCann has become deputy managing director of ALFRED CLOUGH and Mr. M. J. Richards has been made group comptroller.

★

Mr. N. G. E. Driver and Mr. E. G. Miller have been appointed associate directors of BRITISH COMMERCIAL PROPERTY INVESTMENT TRUST, a subsidiary of London Merchant Securities.

★

Mr. L. H. G. Livingstone-Learmonth has been appointed a director of AYER HITAM TIN DREDGING.

★

Mrs. Rose L. Harper has been appointed to the Board of ACE MACHINERY and WILLIAM JONES (CHEMICAL ENGINEERS) from March 24.

★

Mr. R. Gordon Pritchard has retired from the Board of the SANGERS GROUP.

COMPANY NEWS

High order level at Westinghouse

The current order book of Westinghouse Brake and Signal Company is at a high level, and contains a considerable export content, says the chairman, Mr. L. E. Thompson.

He points out that orders from British Railways are likely to be spread over a longer period than had been expected, but the directors are confident of a continuing substantial demand for railway products from both home and abroad.

The effect of fixed price contracts for the North American market taken in previous years will progressively diminish as deliveries leading to their completion take place during the current year.

As known, group trading profit increased by £1,739,000 to £4,726,000 in the year to September 27, 1975, and the dividend is raised to the maximum permitted 1.73142p per share.

The Australian group was the major contributor to the increase. Its results, as expected, showed a considerable improvement.

A geographical analysis of sales (£53.21m. against £36.95m.) and trading profit shows—£000s omitted—U.K. £37,615 (£24,462) and £1,602 (£1,406); Australia £14,313 (£11,684) and £2,110 (£492); Europe £1,148 (£799) and £3 (£48); U.S. £134 and losss £25.

Profit would have been greater had the results of the semiconductor division and of the now wholly owned Partridge Wilson Company not been seriously affected by the depressed market conditions. Margins, in the U.K., were affected by price restraints and in particular as had been foreseen by the considerable sales to North America at fixed prices.

During the year the unsecured loan stock (£1.25m.) was repaid. Arrangements have been made for a term loan of £5m. for up to 5 years to be provided by Lloyds Associated Banking Company. This, coupled with overdraft facilities that will be available, should provide the necessary finance required for normal growth expectations in the short term. Westcode Inc., for whom a $1m. line of credit has been granted by the Philadelphia National Bank, is now well established in larger premises and is handling all the North American new business.

The directors consider, based upon a recent professional valuation of properties in the U.K., that the group's aggregate interest in freehold and leasehold land and buildings had a market value at September 27, 1975, approximately £4m. in excess of the aggregate net book value of £4.05m.; this excess is before taking into account any tax that might be payable on realisation.

Meeting, Connaught Rooms, W.C., March 29 at 11.30 a.m.

Sec. Alliance earnings up

Earnings per 25p share of Second Alliance Trust for the full year to July 31, 1976 are expected to approach 5p, compared with 4.88p in the previous comparable period, say the directors.

Net asset value per share at January 31, 1976 was 210.5p, against 162.5p at July 31, 1975 after deducting prior charges at par and including the 25 per cent. of investment currency premium subject to surrender, of 10.5p (7.5p).

An interim dividend of 1.4p net (same) has already been announced—last year's total was 4.3p.

Clondalkin Paper downturn

TURNOVER OF Clondalkin Paper Mills was more than £2m. lower at £23.4m. during 1975 and pre-tax profit showed a sharp decline from £2.87m. to £1.2m.

Stated earnings fell from 22.49p to 12.12p per 25p share and the dividend is reduced to 4.5p gross compared with 5.75p, with a same-again final of 3.25p.

According to Mr. E. J. P. O'Brien, chairman, the outturn for 1976 depends largely on the amelioration of cost inflation and the rate of progression on the Irish and U.K. economies. A recovery, however tentative, appears to be developing, he adds.

"The group can take full advantage of the upturn but progress cannot be made unless "very real" restraint is observed in incomes and services costs, the chairman says.

While the pulp and paper-making sector of the group continues to be adversely affected by curtailment of demand and pressure on margins, he says that generally, compared with former recessions, a more rational approach in relation to pricing continues to apply. However the time span between the onset of cost increases and justifiable recovery through increased selling prices is "inordinately prolonged." As the recovery progresses that factor will "cease to be matter of concern."

	1975	1974
	£	£
Turnover	23,400,485	25,761,509
Trading profit	1,419,197	3,169,018
Interest	217,839	295,302
Profit before tax	**1,201,358**	**2,873,716**
Taxation	247,089	1,160,658
Net profit	954,269	1,713,058
Extraord. debit*	[illegible]	—
Minorities	118,795	102,511
Available	831,707	1,350,547
Dividends	222,616	284,453
To pension reserve	10,000	10,000
Retained	599,087	1,250,094

* Includes £43,872 loss on sale of subsidiary, £14,201 costs on subsidiary's transfer and £54,302 profit on disposal of premises.

The sharp curtailment in demand during 1975 for group products derived from the liquidation of stocks by customers and a severe downturn in economic activity, members are told.

Meeting, Dublin, March 26.

This week's SE dealings

Friday, March 5 .... 7,759 | Tuesday, March 2 7,109
Thursday, March 4 .... 6,659 | Monday, March 1 6,725
Wednesday, March 3 .... 8,121 | Friday, February 27 6,741

[illegible]

COMMODITIES/Review of the week

Sterling dominates the markets

BY OUR COMMODITIES STAFF

THE WEAKNESS of sterling dominated London's commodity markets yesterday, leading to substantial all-round rises. The Financial Times Commodities Index reached its highest point since December, 1974, at 188.19.

The effect on the metals markets was particularly marked. Trade in copper was the heaviest for some time despite an almost total lack of other significant factors, apart from the African situation, which remained as a background influence. Cash wirebars ended the day £23.5 higher at £654.5 a tonne—the highest level since September 1974—for a net rise on the week of £26.25.

Tin prices also reached their highest levels for some time with cash standard metal rising £58 to £3,387 a tonne, £83 up on the week. Sterling was again the main factor though the rise also reflected an overnight increase in the Penang price.

Currency considerations also resulted in sharp advances in the lead and zinc markets. Cash lead closed £4.875 higher at £190.375 a tonne, up £10.625 on the week, while cash zinc gained £6 to £351.5 a tonne, up £9.25 on the week. The rise in lead was bolstered by reports of a possible U.S. producer price increase.

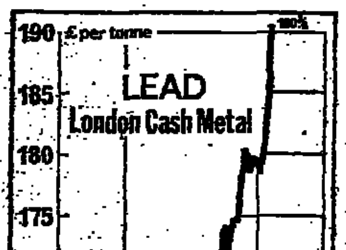
The effect of the decline in sterling was equally dramatic on the major soft commodity markets, with August sugar gaining £12.25 a ton, May cocoa £12.25 a tonne and May coffee £18 a tonne. Rubber was affected, too, with the No. 1 RSS spot price reaching a new 1975-1976 peak of 41.75p a kilo.

Cocoa prices had already advanced significantly in response to a tight technical situation in the expiring March position. But this factor was already diminishing when the market opened yesterday and dealers felt that in the absence of currency considerations prices would have declined. In the event May cocoa ended the week £28 higher at £751.75 a tonne.

Earlier both the London merchants Gill and Duffus and the U.S. Department of Agriculture had published their latest assessments of the 1975-76 world supply demand position. Gill and Duffus put the season's surplus at 26,000 tonnes, while the USDA forecast a surplus figure of 48,700 tonnes.

In the absence of any significant roaster demand, the coffee market was fairly quiet for most of the week and by the close on Thursday the May position on the London terminal market was showing a decline of £2 a tonne. But yesterday this was turned into an on balance rise of £16 at £867.5 a tonne.

The sugar market turned in its strongest performance for some time this week and the August futures position was already £6.525 a ton higher before yesterday's advance. News that China had bought some 200,000 tonnes of sugar on the world market had little effect on prices as this had already been confidently forecast in the market but growing rumours of heavy Russian buying, though unconfirmed, boosted sentiment considerably.



WEEKLY PRICE CHANGES

[illegible]

MARKET REPORTS

BASE METALS

COPPER—Continued to move ahead in active trading on the London Metal Exchange, prices mainly influenced by the fall in sterling to below the $2 level. Short-covering, chartist and stop-loss buying pushed prices higher while little change is expected in warehouse stocks over the week. Consumer demand from the U.S. was also reported and forward metal ended at £672 on the afternoon Kerb after touching £675 at one time. The weakness of sterling and consideration of the African situation has added over £26 to cash metal on the week while forward was £21 higher. Turnover 24,025 tonnes.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Wirebars				
Cash	651-.5	+24.5	654.5	+23.5
3 months	669-.5	+24	671.5-2	+22.5
Settlem'nt	651.5	+24.5	—	
Cathodes				
Cash	641-.5	+24	643-4	+22
3 months	659-.5	+24	660-.5	+20.5
Settlem'nt	641.5	+24	—	
U.S. Smlt.	—		*63	

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £547.50, 7.00, 50.00, 51.00, three months, £666, 65, 65.50, 66, 55, 55.50, 66, 67, 68, 68.50, 69. Cathodes, cash, £641, three months, £660, 59, 59.50. Kerb: Wirebars, cash, £650, 50.50, 51.50, 52, 52.50, three months, £668.50, 69, 68.50, 68, 68.50, 69, 69.50. Afternoon: Wirebars: Cash, untraded, three months, £674, 73, 74, 73.50, 74, 73, 72.50, 72, 71, 72, 70, 68, 69, 69.50, 70, 71, 70.50, 71, 71.50, 72. Cathodes, cash, untraded, three months £662, 61.50, 60. Kerb: Wirebars, three months, £671.50, 1, 1.50, 2, 2.50, 3, 2.50, 2.

TIN—Gained further ground, standard forward metal ending at the day's highest of £3,465 on the afternoon Kerb. Factors behind the rise were the same as those for copper while warehouse stocks are expected to show little change.

[illegible]

SILVER

Silver was fixed 5.7p an ounce higher for spot delivery in the London bullion market yesterday at 211.0p. U.S. cent equivalents of the fixing levels were: spot 422.9c, [illegible]

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

LONDON GRAIN FUTURES MARKET (GAFTA). Wheat, steady. Close: March 66.85, May 68.65, Sept. 66.40, Nov. 68.15, Jan. 69.55. Business: March 67.10-66.55, May 69.10-68.60, Sept. 66.65-66.30, Nov. 68.20-68.05, Jan. 70.05-69.95. Sales 160. Barley, steady. Close: March 65.00, May 66.90, Sept. 65.55, Nov. 67.45, Jan. 69.05. Business: March 65.20-64.75, May 67.10-66.65, Sept. 65.70-65.65, Nov. 67.50-67.40, Jan. 69.20-69.15. Sales 101.

[illegible]

RUBBER

[illegible]

SOYABEAN MEAL

[illegible]

SUGAR

[illegible]

FREIGHTS

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

[illegible]

U.S. Markets

Metals gain on unrest in Africa

NEW YORK, March 5.

METALS RALLIED early in the day on unrest in Africa and weaker sterling, then gave back partial gains on light profit-taking. Coffee again showed good gains on continued Commission House and light trade buying. Grains closed slightly lower. Sugar finished higher mainly on rumours of force majeure in Brazil, Bache reports.

[illegible]

COMMONWEALTH CORPN. STOCKS (2)

FOREIGN STKS., BDS., ETC. (4)

U.K. AND COMMONWEALTH RAILWAYS (2)

FOREIGN RAILWAYS (—)

BANKS & DISCOUNT COS. (794)

BREWERIES & DISTILLS. (180)

CANALS & DOCKS (17)

COMMERCIAL, INDUSTL. (4,063)

A—B

C—D

E—F

G—H

I—J—K

L—M

LCP Holdings (25p) 63½@ 2½ (4/3). New (25p) 6¼

N—O—P

Economic Diary

QUARTERLY *review of* National Institute of Economic and Social Research will be published on Thursday.

TO-DAY—Prime Minister at annual meeting of Yorkshire Region of Labour Party, Scarborough. Mrs. Barbara Castle, Social Services Secretary, at annual meeting of Greater London region council of Labour Party, Camden Town Hall, London.

SUNDAY—Trade Union and Labour movement conference, Congress House, London.

MONDAY—Royal Commission on Press public hearing continues, Waldorf Hotel, London. European Central Bankers begin two-day monthly meeting in Basle. London Transport busmen's pay talks. Mr. Michael Foot, Employment Secretary, at Foreign Press Association lunch, 11, Carlton House Terrace, London. U.K. balance of payments (4th quarter). Hire purchase and other instalment credit (Jan.). Wholesale price index (Feb.). National Food Survey report on consumption (4th quarter). Retail trade (Jan.—final).

TUESDAY — Two-day debate opens in the House of Commons on Public Expenditure White Paper. OECD report on U.K. economy. Construction output (4th quarter).

WEDNESDAY—House of Lords debates *disincentive effects of* present level of taxation. CBI evidence to Bullock committee on industrial democracy. Mr. Mwai Kibaki, Kenyan Minister of Finance, and Dr. Munyua Waiyaki, Foreign Minister, visiting London for two-day talks with British Ministers. London clearing banks' monthly statement (mid-Feb.). U.K. banks' liabilities, reserve assets, reserve ratios and special deposits (mid-Feb.). Public sector borrowing requirement (4th quarter).

THURSDAY—Commons second reading of Development Land Tax Bill. Bank of England quarterly bulletin will include fourth quarter U.K. banking sector statistics and money stock. Polling day at Carshalton and Wirral by-elections. TUC women's conference opens at Southport. U.K. Chemicals 1975-85—report from Chemicals EDC.

FRIDAY—Balance of payments current account and overseas trade figures incorporating the import and export unit value and volume index numbers and the terms of trade (Feb.). DOI Trade and Industry will include company liquidity survey (4th quarter). Building Societies' receipts and *loans* (Feb.). British Steel Corporation production (Feb.).

TIGER OATS AND NATIONAL MILLING COMPANY, LIMITED

(Incorporated in the Republic of South Africa)

REPORT ON UNAUDITED GROUP PROFITS FOR THE YEAR ENDED 31ST DECEMBER, 1975, AND DIVIDEND ANNOUNCEMENT

	Year Ended 31.12.75	18 Months Ended 31.12.74 Annualised	18 Months Ended 31.12.74 Actual
	R'000	R'000	R'000
GROUP TURNOVER	330 230	260 597	390 896
Unaudited group trading profit before taxation	21 164	16 849	25 274
Taxation	8 041	6 123	9 184
	13 123	10 726	16 090
Minority shareholders' interests in trading profits of subsidiaries	248	250	375
	12 875	10 476	15 715
Group's share of net income after taxation, arising out of its interest in the Oceana group of fishing companies	2 677	2 035	3 052
	15 552	12 511	18 767
Preference dividend	41	41	62
TOTAL GROUP EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS:	15 511	12 470	18 705
Number of ordinary shares in issue:	*11 049 246*	*11 049 246*	*11 049 246*
Earnings—cents per share	140	113	169
Group: Excluding Oceana group of fishing companies	116	95	142
Oceana group of fishing companies	24	18	27

The above figures do not embrace the operations of associated companies except to the extent of dividends received during the year ended 31st December, 1975, and included in total group earnings. If the undistributed profits of the associated companies in respect of their latest trading periods, covering 12 months, and in which at least 30% of the equity share capital is held, are taken into account, the above group earnings in respect of the year under review would amount to 147 cents per ordinary share (18 months ended 31st December, 1974: 179 cents—equivalent to 119 cents per share on an annualised basis).

NOTES:

1. The group turnover of R330 230 000 for the year under review represents an increase of 26.7% over the figure of R260 597 000 stated above and excludes sales of associated companies whose turnovers *totalled approximately R139 000 000.*
2. Commitments for capital expenditure at 31st December, 1975, amounted to approximately R35 million, which will be financed by retained earnings and short and medium terms borrowings.
3. During the year under review the company acquired the entire issued share capitals of:—

   Dennehof Plaas en Laboratorium (EDMS) Beperk—Mushroom Growers in Pretoria,

   Oogies Investments (Pty) Limited—fixed property in Ogies.

   R.L.L. Machinery Company (Pty) Limited—fixed property in Isando.

   Furthermore, during the year the company acquired the remaining 32.5% of the issued share capital of Star Foods (Pty) Limited, which is now a wholly-owned subsidiary.
4. The saving in taxation resulting from the investment allowances in respect of plant and buildings brought into use during the year amounted to R672 000. The full extent of this saving has however, not been taken into consideration in computing group earnings as, with effect from 1st January, 1975, reductions in taxation resulting from investment allowances are being spread over a number of years rather than being brought into account in the year in which the saving accrued. The effect of this change in the basis of accounting has been to increase the taxation charge during the year ended 31st December, 1975, by an amount of R605 000 with a concomitant decrease in earnings.
5. Trading conditions remain satisfactory and, subject to no unforeseen circumstances, it is anticipated that this state of affairs will be maintained during the six months ending 30th June, 1976.

On behalf of the Board
R. L. FRANKEL
D. O. BECKINGHAM
Directors,

DECLARATION OF FINAL DIVIDEND NO. 62—ORDINARY SHARES

Notice is hereby given that a final dividend, No. 62, of 22½ (twenty-two-and-one-half) cents per share, in respect of the year ended 31st December, 1975 has been declared payable to shareholders registered in the books of the company at the close of business on the 26th day of March, 1976. This dividend, together with the interim dividend of 18½ (eighteen-and-one-half) cents per share declared on the 27th August, 1975, makes a total distribution for the year of 41 cents (forty-one cents) per share (eighteen months ended 31st December 1974—52 cents—equivalent to 35 cents per share on an annualised basis).

The dividend, is declared in the currency of the Republic of South Africa and warrants in payment thereof will be posted to shareholders by the company's transfer secretaries in South Africa and in the United Kingdom, on or about the 29th April, 1976.

Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 20th April, 1976 of the rand value of their dividends (less appropriate taxes).

The transfer books and registers of members will be closed from the 27th March to the 9th April, 1976, both days inclusive.

The effective rate of non-resident shareholders' tax is 15%.

By order of the Board,
G. M. UTIAN
Secretary.

Registered Office:
15th Floor,
Schlesinger Centre,
222 Smit Street,
Johannesburg 2001

Transfer Secretaries:
Consolidated Share Registrars Limited,
"Libertas,"
62 Marshall Street,
Johannesburg 2001
(P.O. Box 61051, Marshalltown, 2107 Transvaal).

5th March, 1976.

MARCH 3

American Telegraph and Telephone £40¼
Barrymin 45●
Batu Kawan 180
Beatrix Foods $US23¼
Carling O'Keefe 255
City Services £30⅞
Endeavour Oil 13
Exxon Con. $US88⅞
Hoechst (Farbwerke) 6½pc 1970 £21½
Home Oil A £24½●

NEW HIGHS AND LOWS FOR 1975/76

The following securities (numbers in parentheses) among those quoted in the Share Information Service yesterday attained new Highs and Lows for 1975-76.

NEW HIGHS (37)

BRITISH FUNDS (1)
Treas. 6½pc 1976

BUILDINGS (2)
Clark and Fenn | Norwest Holst

CHEMICALS (1)
ICI

CINEMAS (2)
HTV | Scottish TV 'A'

STORES (4)
Dixons Photo. | Samuel (H.) 'A'
Do. A | Status Discount

ELECTRICALS (3)
Allied Insulators | EMI 8½pcCnv. 1981
EMI

ENGINEERING (7)
Birmid Qualcast | Midland Inds.
Brown and Tawse | Weybourn Eng.
Greenbank | Wolf Elec. Tools
Met. Inds.

FOODS (1)
Midland Cattle Prods.

INDUSTRIALS (7)
Gibbons Dudley | Marshall Loxley 'A'
Hoskins and Horton | Tozer K. 8pcCnv.
Lead Inds. | U.K. Optical
Lesney Prods.

MOTORS (3)
Bluemel Bros. | Nelson (David)
Herlys

NEWSPAPERS (1)
Utd. News

TEXTILES (2)
Shaw Carpets | Wood Bastow

TRUSTS (1)
Martin (R. P.)

OVERSEAS TRADERS (2)
Gill and Duffus | Ocean Highfields

NEW LOWS (4)

PAPERS (1)
Delyn

SOUTH AFRICANS (1)
Ang. Transvaal Ind.

OILS (1)
Endeavour

MINES (1)
Zambian Copper

Honda Motor (EDR) 800●
Hudson's Bay Oil and Gas £26½●
Jennings Inds. 131
Moulson A £12¼
Nat. Electric 33
North Flinders 62
Protea Hldgs. 64½
Washington Real Estate Inv. £11½●

MARCH 2

Ampol Ex. 75
Assd. Manganese (SA) £10.40●
Australian Guarantee Crp. New 72
Brambles Inds. 165
Canadian Pacific Inv. 4¼pcPfd.A £25¾●
Carr Boyd Minerals 11
Cons. Press Hldgs. 285●. Pfd. 280●
Cornwall Equities 540
Deutsche Bank DM122
Gould Inc. £22
Mempas Malaya 65●
Kiwi Int. 78 9
LTD Crpn. $US14½●
Liberty Life 465
Marra Developments 7pcPf. 12●
McDonnell Douglas £11¼
Metal Ex. 39
Metramar Minerals 17
National Can. $US13
Sabina Inds. 95●
Sherritt Gordon Mines 495●
Silver Valley Minerals 5
South African Manganese 503●
Tank Crrp. B 222
Thiess Hldgs. 175

MARCH 1

Arco £17¼
Anglo Utd. 62
Beatrice Foods $US23½●
Central Pac. Mines 29
Fairfax (John) 126
General Foods £21¼
Kaiser Steel £23¾●
Kimberley $US31½
Magellan Pets. 48
Mars Stores $US500
Palabora 655
Pan Ocean 875●
Philip Morris $US54½●
Reynolds (R. J.) $US65½●
Santos 95
S.A. Manganese 4280 60
Tara Expl. £10¼
U.S. Shoe £22½
Westinghouse Elec. $US16.050

(By permission of the Stock Exchange Council)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	1	56	2
Corpns. Dom. and Foreign Bonds	2	21	41
Industrials	225	455	1,061
Financial and Prop.	45	264	267
Oils	7	8	18
Plantations	2	29	33
Mines	63	17	89
Recent Issues	4	11	40
Totals	357	842	1,551

ACTIVE STOCKS

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price (p)	Change on week	1975-6 high	1975-6 low
De Beers Defd.	R0.05	93	218	− 9	335	161
Cons. Gold Fields	25p	86	162	− 4	290	144
Lloyds Bank 'New'	Nil pd.	84	17*	− 10	36*	17*
Shell Transport	25p	73	384	+ 2	404	118
ICI	£1	69	388	+ 5	388	118
T. & Newall 'New'	Nil pd.	67	15*	—	19*	10*
Std. Chart. 'New'	Nil pd.	62	25*	− 4	42*	16*
Barclays Bank	£1	57	285	− 23	350	112
Burmah Oil	£1	56	49	− 2	100	27
GKN	£1	55	332	+ 16	339	95
Commercial Union	25p	53	131	—	194	72
Lonrho	25p	53	115	− 6	159	68
British Leyland	50p	52	31	− 1	57	20
BP	£1	52	588	+ 5	615	190
Unilever	25p	52	448	+ 10	462	170

* Premium.

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975-6 high	1975-6 low
Cons Gold Fields	25p	18	162	+ 10	290	144
Shell Transport	25p	13	384	− 2	404	118
De Beers Defd.	R0.05	12	218	+ 10	335	161
GKN	£1	12	332	− 6	339	95
Burmah Oil	£1	11	49	—	100	27
ICI	£1	10	388	+ 3	388	118
Lucas Inds	£1	10	215	+ 1	221	87
Midland Bank	£1	10	285	− 3	320	122
T. & Newall 'New'	Nil pd.	10	15*	− 1	19*	10*
"Bats"	25p	9	347	—	377	164
BP	£1	9	588	− 5	615	190
Commercial Union	25p	9	131	+ 2	194	72
Reed Intl.	£1	9	272	− 3	297	124
Woolworth (F. W.)	25p	9	66½	− 2	80	25½
British Leyland	50p	8	31	− 1	57	20

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

* Premium.

Option Report—3-month Call rates

OPTION DEALING DATES

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar. 2	Mar. 15	May 17	Jun. 9
Mar. 16	Mar. 29	Jun. 10	Jun. 22
Mar. 30	Apr. 12	Jun. 24	July 6

"Calls" were dealt in Charterhall Finance, Swan Hunter, Atlantic Assets, Grand Metropolitan, Inveresk, London and Northern Securities, Dunlop, Fairview Estates, Amalgamated Investment, Burton 'A,' Plessey, Gripperrods, Turner and Newall, Cons. Gold Fields, Siebens Oil and Gas, Senior Engineering, F. W. Woolworth, ICI and Rio Tinto-Zinc. No "puts" were reported while "doubles" were arranged in Charterhall Finance, Town and City, Cons. Gold Fields, Expanded Metal, Amalgamated Investment, Turner and Newall and Plessey.

Industrials		Guardian	20	Spillers	5	Shell	25
		G.K.N.	22	Tesco	5	Ultramar	20
A. P. Cement	15	Hawker Sidd.	35	Thorn "A"	20		
Assoc. Leisure	5	House of Fraser	8	Tube Invest.	27	Mines	
Barclays Bank	22	I.C.I.	21	Unilever	40	Anglo Amer.	50
Beecham	28	"Imps"	7	Utd. Drapery	10	Charter Cons.	16
Boots Drug	12	I.C.L.	14	Vickers	13	Charterhall Fin.	6
Bowaters	16	Inveresk	7	Williams Hud'n	4	Cons. Gold	16
B.A.T.	30	Legal & General	13	Woolworths	6	De Beers Def.	35
British Leyland	7	Ladbroke	11			F. S. Geduld	350
Brit. Int.	5½	Lloyds Bank	22	Property		[illegible]	12
Burton 'A'	7	"Lots"	5½	[illegible] Inv.	3½	Hampton Areas	12
Cadburys	6	"Mams"	6	Brit. Land	4½	Hampton Prop.	4
Courtaulds	11	Marks & Spencer	10	Cap. Counties	3½	[illegible]	100
Debenhams	8	Midland Bank	22	E.P.	6	[illegible]	12
Distillers	15	Nat West Bank	20	Land Securities	15	Lonrho	55
Dunlop	7½	"Dr" Warrants	10	MEPC	10	Poseidon	55
Eagle Star	13	P & O Dfd.	11	Peachey	3½	Pres. Steyn	200
E.M.I.	17	Plessey	8	Town & City	3½	Rio T. Zinc	17
Gen. Accident	16	R.H.M.	6	Town & Comm.	4	Welkom	55
Gen. Electric	15	Rank Org. 'A'	18			West Areas	40
Glaxo	35	Reed Int'l.	25	Oils		Western Mngs.	18
Grand Met	7	Rothmans	4	Brit. Petroleum	40		
G.U.S. 'A'	17	Slater Walker	4½	Burmah Oil	7		

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Hove (0273 775400)	11	½-year	1,000	2
Hove (0273 775400)	11½	½-year	1,000	3-5
Liverpool (051 227 3911)	10¾	½-year	500	3-4
Liverpool (051 227 3911)	11½	½-year	500	5-6
Merthyr Tydfil (0685 3201)	11¼	½-year	500	3-5
Merthyr Tydfil (0685 3201)	11¼	½-year	5,000	3-5
Monmouth (040 55 2311)	11	½-year	1,000	2
Redbridge (01-478 3020)	11¾	½-year	1,000	5-7
Wandsworth (01-874 6464)	11¾	½-year	5,000	5-7
Wandsworth (01-874 6464)	11½	½-year	1,000	5-7
West Yorkshire (0924 67111)	10¾	½-year	1,000	3
West Yorkshire (0924 67111)	11	½-year	1,000	4-7

U.K. CONVERTIBLE STOCKS 5/3/76

Statistics provided by *data STREAM International*

Name and description	Size (£m.)	Current price	Terms*	Con-version dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.◎	Cheap(+) Dear(−)◇ Current
Alcan Aluminium 9pc Cv. 89/94	12.00	75.00	100.0	76-80	12.3	12.8						
Associated Paper 9½pc Cv. 85/90	1.40	78.00	200.0	76-85	12.4	13.1	4.0	−20 to 5	48.2	47.9	− 0.4	− 4.4
Bank of Ireland 10pc Cv. 91/96	10.25	141.50	35.7	77-90	7.0	5.8	15.8	−26 to 16	45.9	58.7	10.5	− 5.4
B.P.B. 7¾pc Cv. 89/94	4.89	100.00	62.0	72-80	7.7	7.7	9.7	−41 to 13	21.4	22.7	1.4	− 8.3
English Property 6½pc Cv. 98/03	19.16	138.00	234.0	72-80	4.8	4.1	− 6.4		20.0	20.2	− 6.6	− 0.2
English Property 12pc Cv. 00/05	15.40	118.00	150.0	76-84	10.5	10.4	24.9	− 6 to 44	30.9	58.6	29.3	4.4
Grand Metropolitan 10pc Cv. 91/96	123.99	104.50	120.2	76-78	10.0	10.0	4.1		15.0	17.9	2.9	− 1.2
Hanson Trust 6½pc Cv. 88/93	4.51	93.00	57.1	76-86	7.2	7.5	19.7	−35 to 20	30.5	36.0	7.0	−12.7
Hewden-Stuart 7pc Cv. 1995	0.72	150.00	280.0	75-95	4.7	8.5	21.8	10 to 22	55.1	45.6	− 8.6	−30.3
Lyons, J. 7½pc Cv. 1981	3.60	84.00	22.7	75-81	8.6	11.1	146.4		11.6	25.0	39.2	−107.2
Slough Estates 10pc Cv. 87/90	5.50	134.00	125.0	76-87	7.6	6.0	26.1	19 to 38	26.5	53.6	27.4	1.3
Tozer, Kemsley 8pc Cv. 1981	7.33	92.00	153.8	74-79	9.0	10.6	22.1	13 to 35	13.3	22.4	9.5	−12.6
Wilkinson Match 10pc Cv. 83/98	11.10	87.00	40.0	74-83	11.7	11.9	41.2		22.8	46.0	37.7	− 3.6

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ◎ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness, − is an indication of relative dearness.

[B]UILDING SOCIETY RATES

	Deposit Rate	Share Accts.	Sub'pn Shares	Variable Term Shares
[...]y National	6.75%	7.00%	8.25%	●7.50%
[...]nce	6.75%	7.00%	8.25%	‡‡7.75%
[...]a	6.75%	7.00%	8.25%	‖7.75%
[...]ingham Incorporated	6.75%	7.00%	8.25%	—
[...]ford and Bingley	6.75%	7.00%	§8.25%	—
[...]ol and West	6.75%	7.00%	8.00%	—
[...]ol Economic	6.75%	7.00%	8.25%	†7.25%
[...]nnia	6.75%	7.00%	8.25%	§§7.75%
[...]ff	6.75%	7.50%	8.50%	—
[...]olic	6.20%	■7.40%	7.60%	—
[...]ea	6.75%	7.00%	9.00%	†7.25%
[...]enham and Gloucester	6.75%	7.00%	—	‡7.75%
[...]ns Regency	6.75%	7.25%	8.75%	—
[...]of London	7.00%	7.50%	8.25%	—
[...]and Metropolitan	6.75%	7.25%	7.50%	¶8.00%
[...]try Economic	6.75%	7.00%	8.75%	§§7.75%
[...]shire	6.75%	7.00%	8.25%	□7.50%
[...]ay	6.75%	7.00%	8.25%	¶7.75%
[...]wich	6.00%	7.10%	8.50%	—
[...]lian	6.75%	7.25%	7.50%	★7.80%
[...]x	6.75%	7.00%	8.25%	¶7.75%
[...]ngs and Thanet	6.75%	7.00%	8.25%	—
[...]s of Oak & Enfield	6.75%	7.25%	8.50%	—
[...]n	7.00%	7.30%	—	*8.05%
[...]ersfield and Bradford	6.75%	7.00%	8.50%	▽7.75%
[...]ngton Spa	6.87%	7.12%	9.50%	7.50%
[...] and Holbeck	6.75%	7.00%	8.25%	—
[...] Permanent	6.75%	7.00%	8.25%	—
[...]ter	6.75%	7.00%	8.25%	††7.75%
[...]ool	6.75%	7.00%	8.50%	*7.50%
[...]t & Planet	6.75%	7.00%	7.75%	▽7.75%
[...]ngton Permanent	6.45%	7.65%	—	—
[...]al Counties	7.00%	7.25%	8.25%	◇7.75%
[...]wide	6.75%	7.00%	7.50%	◇8.25%
[...]stle Permanent	6.75%	**7.00%	7.75%	8.00%
[...]ern Rock	6.75%	7.00%	8.00%	‡8.00%
[...] London	7.50%	8.00%	—	◇8.25%
[...]h	6.75%	7.00%	8.25%	—
[...]y	6.75%	7.00%	7.50%	¶¶7.50%
[...]ty Owners	6.75%	7.50%	8.50%	†7.65%
[...]cial	6.75%	7.00%	8.25%	7.75%
[...]n	6.75%	7.00%	8.25%	‡‡7.75%
[...] Mutual	6.75%	△7.30%	—	—
[...]and Country	6.50%	7.00%	10.00%	¶¶7.75%
[...]ich Equitable	6.75%	7.00%	8.25%	¶7.75%

[...]mum £2,000 6 mths. notice. † 3 mths. ‡ 3 yrs. § 3 yrs. in[...]g bonus. ¶ Min. £500 2 yrs. fixed. ‖ 4th issue 2 yrs. ● Min. [...] over 2 yrs. 7.75% over £5,250. ** 7.30% over £5,000. †† 2-3 [...] ‡‡ 2 yrs. §§ 7.50% 3 mths. notice after 9 mths. ¶¶ 2 yrs. [...] min. ▽ Min. £100 2 yrs. fixed. ◇ Min. £1,000 6 mths. notice. [...]s. over £5,000. △ £5,000 and over 7.55%. ★ Min. £1,000 3 [...] notice. □ Min. £5,000 3 mths. notice. ■ 7.65% over £5,000.

STOCK EXCHANGE REPORT

Market sentiment unsettled by weakness in sterling

Share index down 2.9 at 404.7—Useful rally in Golds

Account Dealing Dates
Option

*First Dealings	Declarations	Last Dealings	Account Day
Feb. 23	Mar. 4	Mar. 5	Mar. 16
Mar. 8	Mar. 18	Mar. 19	Mar. 30
Mar. 22	Apr. 1	Apr. 2	Apr. 13

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Overshadowed by the slump in sterling, British Funds and equities gave ground in nervous trading yesterday. The former were at the forefront of the day's reaction and losses ranged to a *full point at one stage.* However, the further ¼ per cent. reduction to 9 per cent. in *Minimum Lending Rate helped* the market regain a little poise. Final losses ranged to 3/16 in the *shorts* and to ⅝ in the later maturities. The Government Securities index lost 0.32 more to 62.47, making a fall of 0.99 on the week.

Leading Industrials took their cue from Gilts. A dribble of selling saw the FT 30-share index gradually fall away to touch its lowest of the day at 3 p.m. with a loss of 4.7. *Scattered demand* in the late dealings for overseas orientated stocks brought about *a modest rally and the index* closed 2.9 down on balance at 404.7 for a loss of 0.5 on the week. Over the Account, however, the index recorded a rise of 12.8.

Scattered small losses were the order of the day in second-line equities, with falls leading rises by 2—1 in FT-quoted Industrials, while the FT-Actuaries All-Share index gave up 1.0 per cent. to 165.00 for a fall of 3.62 per cent. on the week.

Following the sharp setback earlier in the week on the Rhodesia/Mozambique developments. Thursday's better trend in southern African issues became more *marked.*

Market sentiment was completely against the debut of the new GLC 12½ per cent., 1983, loan which, in £10 paid form, closed at £9½, or ½ discount.

Sterling's plight found quick reflection in the investment currency market where demand, including short covering, met with an increasing marked reluctance on the part of sellers. A gradual recovery movement thus gained momentum late and the *premium* closed 7⅛ up *at 93⅞ per* cent. Yesterday's SE conversion factor was 0.6806 (0.6864).

Barclays react afresh

Barclays Bank, a nervous *market earlier in the week on* the Mozambique/Rhodesia situation, then better on Thursday on *first sighting of the results,* reacted afresh yesterday following news that the bank is losing *£5m. a week in deposits owing to* interest rate competition; the shares ended 10 down at 285p, for a loss of 23 on the week. The other big three tended easier in sympathy, with **Lloyds** 6 off at 222p, and the new nil-paid 3 easier at 17p premium, **Midland** 3 easier at 285p, and **National Westminster** 2 down at 250p, after 248p. Foreign issues, *however,* tended firmer; **Standard Chartered** picked up 3 to 373p, while **Bank** *of New South Wales rose 15 to* 615p. **Hong Kong and Shanghai** were quoted ex scrip issue and a *dividend of 42c to close* 13 up at 303p. Discounts, on the other hand, softened where changed; **Allen Harvey and Ross,** 460p, and **Union,** 350p, both declined 5.

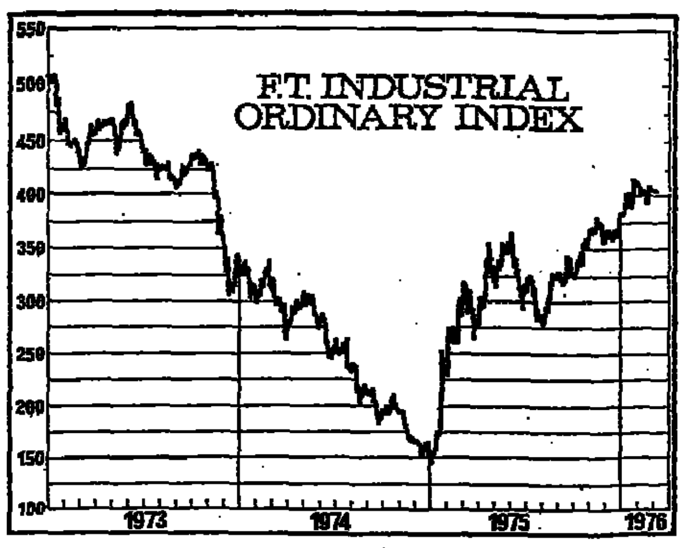
Composite Insurances tended harder, with both **Commercial Union,** 131p, and **"Royals,"** 330p, up 2. Brokers, however, eased with **C. T. Bowring** shedding 4 to 81p.

Brewers and Distillers tended easier. **Bass Charrington** shed 2 to 103p, while **A. Guinness** declined 4 to 132p. Falls of 1½ were sustained by **Alliance,** 66½p, and **Distillers,** 143p.

Taylor Woodrow lost 6 at 276p, while **A.P. Cement,** after touching 186p, *rallied to close only a penny* cheaper on balance at 190p in easier Buildings. **Newarthill** were *also out of favour, reacting 3 to* 55p. Against the trend, **Clark and Fenn** improved 5 to 57p on country *buying.*

ICI were good late, closing another 3 better at an all-time peak of 388p. Elsewhere in Chemicals, losses of 4 were sustained by **Fisons,** 403p, and **Lankro,** 146p. **Hoechst,** however, advanced 15 to 480p in line with the improvement in the dollar premium.

Television Contractors had a couple of bright spots in **HTV,** 6 higher at a 1975-76 peak of 76p on the increased interim dividend and higher profits, and **Scottish "A,"** which moved up 3 to 31p on the dividend payment and sharply increased earnings.



EMI strengthen

EMI continued to hold the limelight in otherwise quiet Electricals, advancing 6 further to a 1975-76 peak of 273p during a good trade in *further response to the ex*cellent half-year results, thus leaving a rise of 19 on the week. *The recovery in the investment* premium raised **Philips' Lamp** 25 to 925p. **BSR,** ahead of next *Tuesday's preliminary results,* reacted 3 to 114p. **Decca "A"** receded 6 to 248p, but **Farnell Electronics** *put on 3 to 92p and* **Audio Fidelity** 2 to 25p.

Stores closed little changed following a reasonable turnover. **F. W. Woolworth,** which will be quoted ex the dividend on Monday, closed 2 easier at 66½p following an active two-way business, while a similar loss was sustained by **Burton 'A,'** 59p. **Marks and Spencer** were active and a penny cheaper at 101p. Among secondary issues, **Allied Retailers** were noteworthy for a fall of 5 to 118p. **Empire Stores,** 3 up at 95p, provided an isolated firm spot in Mail Orders, while Shoes had **Geo. Oliver 'A'** a penny *better at 30p on the increased* profits.

Profit-taking clipped the week's *gains in the Engineering leaders.* **GKN,** 332p, and **Tube Investments,** 346p, both gave up 6, but **Hawker** *rallied from 419p to close only* a net 2 down at 424p. Revived demand in a restricted market took *Weyburn up 10 to 530p,* while Press mention helped **Haden Carrier** gain 2 to 114p. Among *smaller-priced issues,* **Midland Industries,** 22½p, and **Metropole Industries,** 32½p, both rose about 2½. *Bid speculation continued to* flicker in **Brown and Tawse,** 1 harder at 78p, after extremes of 75p and 79p. Elsewhere, **James H. Dennis** were quoted ex the "rights" issue at 42p with the new nil-paid shares at 11p premium.

Leading Foods closed with small falls. **Unigate** were lowered 3 to 53p, while **A.B. Foods,** 58½p, and **Cadbury Schweppes,** 49½p, gave up 1½ apiece in active trading. **RHM,** at 53½p, lost a penny of the previous day's pres-inspired rise of 3. **Fitch Lovell** eased 2 to 61p as did **Tate and Lyle** to 268p. Supermarkets had **Tesco** 1½ easier at 40p.

Barlow Rand rally

Barlow Rand shook off recent depression caused by African political tension and staged a useful rally to close 15 up at 173p. Fellow South African Industrial **Rennies Consolidated** managed to recover 5 to 120p. The Australian **Broken Hill Proprietary** also brightened, adding 15 at 685p.

The U.K. Industrial leaders partially recouped early losses, although **Rank Organisation "A,"** on Wall Street influences, ended 7 down at 150p. After recent firmness on the preliminary results, **Unilever** met end-Account profit-taking and closed 4 down at 448p, after 446p. **Beecham** finished 3 off at 354p, after 352p, while **Glaxo** retrieved an initial loss of 5 to close unaltered on the day at 375p. Elsewhere, favourable investment comment left **Thomas Marshall (Loxley) "A"** 6 to the good at 29p. **J. Coral** encountered *speculative demand and advanced* 9 to 121p. **Bestobell,** in marked contrast, retreated 9 to 144p. *Wolstenholme Bronze* receded 6 to 136p and **Securicor** 4 to 63p, while **British Vita,** 70p, gave up 2 of the previous day's rise of 10 which followed the profits expansion.

Motors and Distributors closed at, or near, the overnight levels following a slightly improved business. **Lucas** were a penny better at 215p.

Delyn slipped to a fresh 1975/76 low of 8p following the indication of a substantial first-half loss. Other Paper/Printings were narrowly mixed.

In quiet trading, leading Properties drifted easier before ending a shade above the day's worst. **Land Securities** were finally 3 down at 181p, and **MEPC** 2 off at 82p, after 81p, while **English Property** *closed a penny cheaper at* 62½p, after 61½p. Elsewhere, **Scottish Metropolitan** sustained a fresh *reaction of 5 to 76p ex "rights"* to the new nil-paid 9 per cent. Convertible Loan stock, 1993-96, *which started at £20 premium and* improved to £24 before ending at £19 premium. **Beaumont Properties,** helped by the chairman's statement with the full report, hardened 1½ to 63½p.

Ranger Oil up

Ranger's oil discovery on North Sea block 23/27 prompted late steadiness throughout *Oils.* **Ranger Oil,** already firmer on investment currency influences, moved *sharply higher* to close 1⅝ points up at £12¾, while **LASMO/SCOT,** which has a near 53 per cent. stake in the venture, regained 8 to 170p. **Shell** picked up from 380p to end only 2 down *on balance at 384p, while* **British Petroleum** finished 5 off at 588p, after 585p. **Royal Dutch** reflected *the marked rally in the invest*ment dollar premium by recovering 1½ points to £33, after £31⅝; *other beneficiaries were* **Pan Ocean,** 25 better at 885p, and **Woodside-Burmah,** 3 dearer at 99p. In belated consideration of its gold share interests, **British-Borneo** reacted 8 to 98p.

Overseas Traders displayed losses of about 5 in **Booker McConnell,** 124p, and **S. and W. Berisford,** 138p. **Paterson Zochonis** receded 20 to 400p, but **Agar Cross,** still on the return to profitability, picked up a shade more to 15½p.

Lampa Securities improved 5 to 116p with the help of Press comment. *Massachusetts Mortgage* **and Realty** recovered 30 to 850p in line with the improvement in *the dollar premium.* **Jersey General** contrasted with a fall of 9 to 230p, while **Second Alliance Trust** *finished 3 easier at 152p after the preliminary report.*

Interest in Shippings remained small. **Felixstowe Dock** ended a penny off at 151p, after 148p, following the chairman's statement on the bid situation, while **European Ferries,** counter-bidders to the original BTDB offer, closed 1½ cheaper at 70p.

A dull note was evident throughout Textiles although **Courtaulds** rallied late to close unchanged at 153p, after 150p. Profit-taking lowered **Sidlaw Industries** 4 to 73p and **Youghal Carpets** 3 to 98p. **Caird (Dundee)** continued out of favour at 34p, down 2 more on the day and 10 on the week.

Tobaccos ended irregularly with **Bats** finally unaltered at 347p, after 342p, but **Imps** 2 cheaper at 74p; the former's overseas interests were a firming influence.

South African Industrials took Thursday's rally a stage further despite the latest developments in the *Mozambique/Rhodesia* situation. **O.K. Bazaars "A"** improved 30 to 370p, while **Primrose,** 128p, and **Abercom Investments,** 135p, put on 8 and 10 respectively. **Tiger Oats** *finished 5 up at 415p* after the preliminary statement.

Rubbers were easier where changed, *while in Teas,* **Clairmace** continued to feature dull Sri Lanka issues with a fall of 3 to *32p. Africans, too,* remained nervous and **Bandanga** shed 2 more to 33p.

Mines regain ground

Mining share markets ended a generally *dismal* week on a brighter note, with most overseas-based issues sharply higher. **De Beers,** the worst affected by the recent war in Angola and the clashes on the Rhodesia-Mozambique border, rallied strongly, despite rumours of the movement of Cuban forces into Mozambique. *The shares,* the most actively traded on the London Exchange over the week, opened at 208p and advanced to 218p, but were still 9 lower on the week.

Other South African Financials to gain ground included **Anglo American** which rose 15 to 255p and **Union Corporation** 20 up at 270p. London-based Financials also improved with *Gold Fields,* the most active stock on the London Exchange yesterday, 10 higher at 162p on bear closing.

South African Gold shares were marked up following the rise in the bullion price, which was finally $1.25 higher at $134 per ounce. Bear closing, and Cape and U.S. demand helped prices *to im*prove further and the Gold Mines index put on 8.1 to 172.8 although it was *still 11.1 down on the week.* and showing a loss of [illegible] on the Account. West Rand [illegible] 90p; their company [illegible] uranium profits.

With the [illegible] fell to a 1975-76 low of [illegible] closing 3 [illegible] were better [illegible] strength of the metal price [illegible] nums were also firmer [illegible] generally easier.

Australians rose again with overnight home markets [illegible] the premium. In Uranium [illegible] continental [illegible] **Peko-Wallsend** put on [illegible] On news of the resumption of work on the [illegible] deposit, **Western Mining** [illegible] to 140p despite the lower half-year profits.

FINANCIAL TIMES STOCK INDICES

	March 5	March 4	March 3	March 2	March 1	Year ago
Government Secs.	62.47	62.79	62.65	62.66	[illegible]	[illegible]
Fixed Interest	62.22	62.49	62.37	62.57	[illegible]	[illegible]
Industrial Ordinary	404.7	407.6	402.7	407.1	402.8	[illegible]
Gold Mines	172.8	164.7	164.0	173.7	183.1	[illegible]
Ord. Div. Yield	5.13	5.09	5.16	5.12	5.16	[illegible]
Earnings Yld % (full) (a)	14.69	14.59	14.82	14.71	14.89	[illegible]
P/E Ratio (net) (b)	10.01	10.06	9.92	10.00	9.87	[illegible]
Dealings marked	7,759	6,659	8,181	7,109	6,785	[illegible]
Equity turnover £m.	—	71.67	62.21	50.62	48.64	[illegible]
Equity bargains total	—	20,216	18,448	17,347	16,310	[illegible]

10 a.m. 404.2. 11 a.m. 403.3. Noon 403.3. 1 p.m. 403.[illegible] 2 p.m. 403.6. 3 p.m. 402.9.

Latest Index 01-246 8026.

(a) Based on 52 per cent. corporation tax. (b) [illegible]

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1975/6 High	1975/6 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	66.21 (30/1/76)	49.18 (3/1/75)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2/76)	50.53 (3/1/75)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	417.4 (30/1/76)	146.0 (6/1/75)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5/75)	164.0 (3/3/76)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

Daily		
Gilt-Edged	[illegible]	[illegible]
Industrials	[illegible]	[illegible]
Speculative	[illegible]	[illegible]
Totals	[illegible]	[illegible]
5-day Average		
Gilt-Edged	[illegible]	[illegible]
Industrials	[illegible]	[illegible]
Speculative	[illegible]	[illegible]
Totals	[illegible]	[illegible]

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri. Mar. 5 Index No.	Day's Change %	Est. Earnings Yield % (Max.) (ACT at 35%) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) (Corp. Tax 52%)	Est. P/E Ratio (Nil)	Thurs. March 4 Index No.	Wed. March 3 Index No.	Tues. March 2 Index No.	Monday March 1 Index No.	Year ago (approx.) Index No.	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (178)	152.72	−0.8	15.02	5.60	10.09	10.08	153.91	152.55	153.37	152.66	115.43	155.14	51.78	206.37	50.71
2	Building Materials (29)	143.80	−1.1	11.68	6.08	13.26	13.25	145.45	143.49	145.90	144.15	106.57	150.16	45.11	233.64	44.27
3	Contracting, Construction (23)	232.28	−0.9	15.08	4.21	10.36	10.36	234.32	233.37	234.20	233.35	210.42	263.54	76.74	389.33	71.48
4	Electricals (16)	268.32	−1.2	16.25	4.45	9.02	9.02	271.58	267.82	271.37	269.38	209.85	276.09	85.49	550.00	84.71
5	Engineering (Heavy) (13)	169.74	−0.9	19.26	6.96	8.44	8.44	171.31	168.75	169.93	169.24	140.42	181.28	64.39	302.57	64.39
6	Engineering (General) (63)	140.68	−0.2	15.72	6.05	9.54	9.54	141.00	140.28	140.46	139.10	97.80	141.00	45.43	168.59	45.43
7	Machine and Other Tools (9)	57.40	+0.9	14.71	6.52	12.25	12.25	56.89	57.15	57.43	56.88	40.67	57.43	20.11	136.70	19.96
8	Miscellaneous (25)	131.58	−0.8	15.21	6.37	10.12	10.11	132.61	132.42	133.37	133.15	103.92	134.89	49.85	177.41	49.65
	CONSUMER GOODS															
9	(DURABLE) (56)	137.83	−0.1	14.06	4.55	10.75	10.74	137.92	136.77	138.18	137.71	86.51	139.82	38.39	237.78	38.39
10	Electronics, Radio TV etc. (15)	156.76	+0.2	12.17	3.41	12.29	12.27	156.44	155.33	157.24	155.98	102.88	159.21	44.22	257.41	42.85
11	Household Goods (15)	180.01	−0.1	18.04	6.25	8.26	8.26	180.14	180.50	181.36	181.73	129.37	184.94	64.53	263.32	63.92
12	Motors and Distributors (26)	81.64	−0.5	15.54	5.73	9.91	9.91	82.08	81.06	81.71	81.99	43.27	82.57	19.91	170.39	19.91
	CONSUMER GOODS															
13	(NON-DURABLE) (168)	154.02	−1.5	13.59	5.74	10.80	10.79	156.42	154.60	156.03	155.10	129.14	162.24	61.98	226.08	61.41
14	Breweries (15)	162.32	−2.1	13.90	6.65	10.79	10.79	165.80	163.51	164.92	166.46	144.86	181.48	70.38	229.71	69.47
15	Wines and Spirits (7)	176.96	−1.3	10.52	5.73	14.42	14.42	178.19	176.60	177.56	177.73	150.18	185.67	59.42	257.60	58.81
16	Entertainment, Catering (16)	209.65	—	10.80	5.90	14.81	14.14	209.68	205.71	207.81	197.05	129.19	209.65	55.28	334.79	54.87
17	Food Manufacturing (22)	165.21	−1.8	12.65	5.09	11.15	11.07	168.26	165.65	167.24	165.10	153.06	174.05	63.05	211.65	59.78
18	Food Retailing (16)	140.73	−2.1	11.82	4.92	12.30	12.30	143.75	141.88	143.68	141.61	130.60	156.89	57.12	235.08	54.25
19	Newspapers, Publishing (15)	181.54	−0.3	12.45	5.57	12.07	12.07	182.16	181.52	182.46	183.32	145.30	184.16	56.09	374.01	55.08
20	Packaging and Paper (13)	108.34	−1.9	20.15	7.05	7.38	7.39	110.35	109.38	110.40	110.12	89.05	113.83	43.46	193.84	43.46
21	Stores (33)	130.57	−1.2	11.58	5.18	13.26	13.24	132.15	130.55	132.00	131.09	114.70	135.24	52.63	201.35	52.63
22	Textiles (22)	171.19	−2.3	13.90	6.31	9.26	8.69	175.17	175.50	176.93	175.53	123.91	184.72	62.91	268.72	62.66
23	Tobaccos (3)	211.56	−1.9	20.61	5.70	7.40	7.40	215.60	214.84	216.58	215.99	193.16	236.23	79.63	320.16	94.34
24	Toys and Games (6)	67.73	+1.2	20.15	5.87	6.92	6.92	66.91	66.95	67.05	67.14	42.66	67.73	20.92	135.72	20.92
	OTHER GROUPS (94)															
25	Chemicals (24)	217.71	−0.6	12.01	4.40	11.50	11.50	218.97	216.54	217.49	216.25	148.31	219.92	75.14	219.92	71.20
26	Office Equipment (10)	90.51	−1.9	14.70	5.72	10.30	10.30	92.30	92.78	93.48	92.95	[illegible]	104.75	45.34	246.05	45.34
27	Shipping (12)	374.09	−0.6	19.31	6.62	6.62	6.36	376.21	373.72	381.74	376.84	299.25	432.64	194.38	517.00	90.80
28	Miscellaneous (48)	168.02	−1.0	14.03	6.29	10.50	10.50	169.64	168.15	169.39	169.48	128.84	172.75	60.39	258.63	60.39
29	INDUSTRIAL GROUP (496)	159.21	−1.1	13.90	5.50	10.59	10.53	160.93	159.31	160.54	159.74	125.47	164.05	59.19	230.17	59.01
30	OILS (4)	358.42	−0.7	15.00	4.80	7.44	6.67	357.73	358.90	355.17	352.00	230.72	361.71	109.83	431.66	87.23
31	500 SHARE INDEX	174.01	−1.0	14.06	5.40	9.97	9.71	175.79	173.91	175.23	174.24	134.49	176.63	63.49	227.05	63.49
32	FINANCIAL GROUP (100)	140.07	−1.1	—	5.12	—	—	141.59	140.48	142.04	141.86	126.56	153.46	56.50	241.41	55.88
33	Banks (6)	162.32	−2.2	18.38	5.21	6.37	8.37	165.88	163.16	166.76	169.32	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Discount Houses (10)	176.90	+0.2	—	6.95	—	—	176.58	177.16	177.47	177.30	169.27	186.52	84.13	293.13	81.40
35	Hire Purchase (5)	130.30	+0.7	—	4.80	—	—	130.45	128.75	129.84	129.54	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Insurance (Life) (9)	127.93	−0.2	—	5.34	—	—	128.25	128.25	128.91	128.01	118.87	129.44	44.88	164.46	44.88
37	Insurance (Composite) (7)	110.90	+0.1	—	8.19	—	—	110.70	110.06	112.05	108.99	97.49	123.90	44.47	165.76	43.96
38	Insurance Brokers (9)	231.26	−1.2	8.97	4.01	16.90	16.90	234.18	232.41	231.06	230.89	175.22	244.18	65.26	262.27	65.86
39	Merchant Banks (17)	87.22	−0.3	—	6.32	—	—	87.49	88.13	88.97	88.11	94.97	[illegible]	[illegible]	[illegible]	[illegible]
40	Property (32)	176.07	−2.2	2.64	2.75	71.81	66.26	180.11	176.60	180.13	180.29	205.60	241.32	58.19	357.40	56.01
41	Miscellaneous (5)	87.17	−0.5	14.74	6.25	10.64	10.64	87.59	88.55	87.98	88.62	76.05	91.98	34.78	303.13	35.29
42	Investment Trusts (50)	160.67	−1.3	3.24	4.51	31.95	31.94	162.65	164.14	166.14	168.10	152.49	184.55	71.43	245.79	71.63
43	ALL-SHARE INDEX (650)	165.00	−1.0	—	5.50	—	—	166.74	165.20	166.78	165.95	134.98	172.64	62.16	228.18	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	443.29	−0.5	14.46	7.58	10.62	10.59	445.43	447.10	450.25	452.66	475.98	525.43	261.66	556.57	84.66
45	Teas (9)	124.19	—	35.45	8.38	4.13	4.06	124.16	124.34	124.38	124.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Coppers (3)	193.85	−3.5	53.76	9.35	1.86	1.86	190.46	199.02	202.74	212.19	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
47	Mining Finance (11)	89.72	−3.3	15.17	5.61	8.56	8.56	86.57	86.19	88.19	91.08	112.20	141.34	80.08	175.90	66.51
48	Tins (8)	93.67	−0.1	12.94	9.42	11.25	10.66	93.81	93.87	94.39	93.74	94.48	114.49	56.91	125.43	54.85
49	Overseas Traders (13)	230.19	−0.7	14.70	4.48	8.90	8.90	231.91	229.73	232.73	232.02	204.77	262.55	97.57	262.83	97.57

	FIXED INTEREST	Friday, March 5 Index No.	Yield %	Thurs. March 4	Wed. March 3	Tues. March 2	Monday March 1	Friday Feb. 27	Thurs. Feb. 26	Wed. Feb. 25	Year ago (approx.)	1975/76 High	1975/76 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	13.83	13.73	13.72	13.72	13.62	13.70	13.60	13.66	13.64				
2	20-yr. Govt. Stocks (6)	49.98	13.03	50.34	50.49	50.16	50.40	50.95	51.19	50.88	[illegible]	53.45	38.27	115.42	38.27
3	20-yr. Red. Deb. & Loans (15)	50.17	14.73	50.29	50.39	50.44	50.51	50.60	50.58	50.63	[illegible]	51.46	37.01	115.43	37.01
4	Investment Trust Prefs. (15)	49.34	14.02	49.61	49.68	49.99	49.99	50.28	50.13	50.15	45.50	[illegible]	[illegible]	[illegible]	[illegible]
5	Coml. and Indl. Prefs. (20)	69.00	13.79	69.20	69.04	68.91	68.91	68.56	68.61	68.54	64.90	71.97	47.67	[illegible]	[illegible]

[illegible] (Table of sections or groups with base dates and base values.)

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 20p.

MONEY + EXCHANGES

Minimum Lending Rate 9%

Bank of England Minimum Lending Rate 9 per cent. (since March 5, 1976)

The *Treasury* bill rate fell by 0.1344 per cent. to 8.4817 per cent. at yesterday's tender and the Bank of England Minimum Lending Rate was reduced by ¼ per cent. to 9 per cent. The minimum accepted bid for 91-day bills was 97.88 per cent., at which level about 39 per cent. was allotted. The £550m. bills tendered and allotted, attracted bids of £1,132.3m. and all bills offered were allotted. Next week £550m. bills will replace maturities of £400m.

Day-to-day credit was reasonably adequate in the London money market, and the houses managed to balance their books without official intervention. The market was helped by bank balances brought forward, and an excess of Government disbursements over *revenue transfers to the Ex*chequer, although these were not other hand, there was a net take-up of Treasury bills, an increase in the note circulation, and small gilt-edged sales.

Discount houses paid 8-8½ per cent. for secured call loans at the start, and rates remained steady *to close at 7¾-8½ per cent. In the* interbank market, overnight loans opened at 8-8½ per cent., and with *little interest in the short end,* rates closed in the region of 8⅜-8¼ per cent.

Rates in the table below are nominal in some cases.

Mar. 5 1976	Sterling Certificates of deposits	Interbank	Local Authority deposit*	Local Auth. negotiable bonds	Finance House deposit	Company deposits	Discount market deposits	Treasury bills ф	Bank Bills ф	Fine trade Bills ф
Overnight	—	8 8⅝	—	—	—	8½-8¾	7¾-8½	—	—	—
2 days notice	—	—	8⅛-8¼	—	—	—	—	—	—	—
†7 days or 7 days notice	—	8⅜-8¼	8¼-8½	—	—	—	8-8¼	—	—	—
One month	[illegible]	[illegible]	8½-8⅝	9-8½	8⅜ 9	—	8⅝	[illegible]	[illegible]	[illegible]
Two months	[illegible]	[illegible]	—	9-8½	8½-9	—	8⅝	[illegible]	[illegible]	[illegible]
Three months	8¾-8⅝	[illegible]	8¾-8⅞	9¼-8¾	8¾-9¼	—	8⅜	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	9-9¼	9¼-8¾	9-9½	—	—	[illegible]	[illegible]	[illegible]
Nine months	[illegible]	[illegible]	—	9¾-9½	9½-10	—	—	—	—	—
One year	[illegible]	[illegible]	10¼	10¼-9¾	10-10½	—	—	—	—	—
Two years	—	—	11⅜-11½	—	—	—	—	—	—	—

† Local authority and finance houses seven days' notice, others seven days' fixed. * Longer-term local authority mortgage rate nominally three years 12-12½ per cent.; four years 12⅜-12½ per cent.; five years 12⅝-12⅞ per cent. ф Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills [illegible] per cent.; four-month trade bills 9¾-9½ per cent. Approximate selling rate for one-month Treasury bills 8¼ per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent. Approximate selling rate for one-month bank bills [illegible] per cent.; two-month [illegible] per cent.; and three-month [illegible] per cent.; for one-month trade bills 9¼-9½ per cent.; two-month [illegible]; three-month 9⅜-9½ per cent.

Finance House Base Rate (published by the Finance Houses Association): 10 per cent. from March 1. Clearing Bank Deposit Rate for small sums at seven days' notice 5½ per cent. Clearing Bank Base Rate for lending 9½ per cent. Treasury Bills: Average tender rate of discount 8.4817 per cent.

EXCHANGES AND BULLION

Sterling fell to an all time low in the foreign exchange market yesterday, its trade weighted average depreciation widening to 31.5 per cent. at the close. The slide started with the *depreciation at 30.4 per cent. in the morn*ing, 30.6 per cent. at noon, and 31.0 per cent. after a mid-day *special calculation by the Bank* of England. The *pound started* to lose ground against the dollar on Thursday afternoon, when the continued decrease in interest rates brought the possibility of a cut in the *Minimum Lending* Rate to 9 per cent. The Bank of England appeared to take a neutral attitude *to* the decline, and intervened at times in support of the pound only on a modest scale.

A fall in British interest rates, at a time when there is an upturn or steadying of U.S. interest *rates, thus eroding interest* differentials, would ultimately result in a weakening of Sterling. In terms of the dollar, the pound closed at $1.9810-1.9830, a loss of 3.2 cents on the day. There was some speculation that the fall in Sterling was indicative of a new currency zone for the pound of slightly less than two dollars.

The dollar met with mixed *fortunes on the Continent,* improving to Frs.4.53⅞ from Frs.4.51⅛ in terms of the French franc. *The West German mark* gained ground over the dollar finishing at DM2.57⅛ from DM2.5785. *The Morgan Guaranty* calculation for the depreciation of the dollar, on noon rates, *narrowed to 2.24 per cent. against* 2.46 per cent. on Thursday.

Gold gained $1¼ an ounce to finish at $133¼-134¼. The market was moderately active, with most of the attention being focused on the performance of Sterling. *The Krugerrand* closed at $136¼-138¼ (£68¾-69¾) in domestic dealings. Its premium over the *gold content narrowed to 2.43* per cent. domestically, and widened to 2.98 per cent. in international dealings over the common previous close of 2.82 per cent.

EXCHANGE CROSS-RATES

Mar. 5	Frankfurt	New York	Paris	Brussels	London	A'sterdam	Zurich
Frankfurt	—	2.5695-5710	57.0-58	6.56-55	5.115-125	95.85-95	99.53-63
N. York	39.0-02	—	22.02-05	2.545-545	1.9670-9700	37.29-31	38.66-62
Paris	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
London	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—	[illegible]
Zurich	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	—

U.S. $ in Montreal, U.S. $=[illegible] Canadian cents. Canadian $ in New York [illegible] U.S. cents. U.S. $ in Milan [illegible]. Sterling in Milan [illegible].

EURO-CURRENCY INTEREST RATES*

Mar. 5 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 days notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Three months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Six months	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
One year	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Euro-French deposit rate: short-term 8-9 per cent.; seven days' notice [illegible] per cent.; one month [illegible] per cent.; three months [illegible] per cent.; six months [illegible] per cent.; one year [illegible] per cent.

Long-term Eurodollar deposits: two years [illegible] per cent.; three years [illegible] per cent.; four years [illegible] per cent.; five years [illegible] per cent.

* The following nominal rates were quoted for London dollar certificates on deposit: one month [illegible] per cent.; three months [illegible] per cent.; six months [illegible] per cent.; one year [illegible] per cent.

† Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-days' notice for guilders and Swiss francs.

FOREIGN EXCHANGES

Mar. 5 1976	Bank Rate %	Day's Spread	Close
New York	[illegible]	[illegible]	[illegible]
Montreal	[illegible]	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]	[illegible]
Brussels	[illegible]	[illegible]	[illegible]
Copenh'gen	[illegible]	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]	[illegible]
Madrid	[illegible]	[illegible]	[illegible]
Milan	[illegible]	[illegible]	[illegible]
Oslo	[illegible]	[illegible]	[illegible]
Paris	[illegible]	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]	[illegible]
Tokyo	[illegible]	[illegible]	[illegible]
Vienna	[illegible]	[illegible]	[illegible]
Zurich	[illegible]	[illegible]	[illegible]

† Basic discount. ‡ Given rates are for convertible francs. [illegible] 7.90-89.20.

OTHER MARKETS

Argentina	[illegible]	Austria	[illegible]
Australia	[illegible]	Belgium	[illegible]
Brazil	[illegible]	Denmark	[illegible]
Finland	[illegible]	France	[illegible]
Greece	[illegible]	Germany	[illegible]
H'ng Kong	[illegible]	Italy	[illegible]
Iran	[illegible]	Japan	[illegible]
Kuwait	[illegible]	Netherlands	[illegible]
Luxemb'g	[illegible]	Norway	[illegible]
Malaysia	[illegible]	Portugal	[illegible]
N. Zealand	[illegible]	Spain	[illegible]
Saudi Arabia	[illegible]	Switzerland	[illegible]
Singapore	[illegible]	United States	[illegible]
S. Africa	[illegible]	Yugoslavia	[illegible]

Rate given for Argentina is free rate.

FORWARD RATES

	One month	Three months
New York	[illegible]	[illegible]
Montreal	[illegible]	[illegible]
Amsterdam	[illegible]	[illegible]
Brussels	[illegible]	[illegible]
Cop'nhagen	[illegible]	[illegible]
Frankfurt	[illegible]	[illegible]
Lisbon	[illegible]	[illegible]
Madrid	[illegible]	[illegible]
Milan	[illegible]	[illegible]
Oslo	[illegible]	[illegible]
Paris	[illegible]	[illegible]
Stockholm	[illegible]	[illegible]
Vienna	[illegible]	[illegible]
Zurich	[illegible]	[illegible]

Six-month forward U.S. dollar [illegible] premium and 12-month [illegible] premium.

BASE LENDING RATES

- Allied Irish Banks Ltd. [illegible]
- Anglo-Portuguese Bank [illegible]
- Henry Ansbacher [illegible]
- Banco de Bilbao [illegible]
- Banco de Jerez [illegible]
- Bank of Cyprus [illegible]
- Bank of N.S.W. [illegible]
- Banque du Rhone S.A. [illegible]
- Barclays Bank [illegible]
- Barnett, Christie Ltd. [illegible]
- Bremar Holdings Ltd. [illegible]
- Brit. Bank of Mid. East [illegible]
- ■ Brown Shipley [illegible]
- Canada Permanent AFI [illegible]
- Cayzer, Bowater Co. Ltd. [illegible]
- Cedar Holdings [illegible]
- ■ Charterhouse Japhet [illegible]
- C. E. Coates [illegible]
- Consolidated Credits [illegible]
- Co-operative Bank [illegible]
- Corinthian Securities [illegible]
- Credit Lyonnais [illegible]
- G. R. Dawes [illegible]
- Duboff Brothers [illegible]
- Duncan Lawrie [illegible]
- English Transcont. [illegible]
- First London Secs. [illegible]
- ■ Antony Gibbs [illegible]
- Goode Durrant Trust [illegible]
- Greyhound Guaranty [illegible]
- Grindlays Bank [illegible]
- ■ Guinness Mahon [illegible]
- ■ Hambros Bank [illegible]
- Hawtin & Partners [illegible]
- ■ Hill Samuel [illegible]
- C. Hoare & Co. [illegible]
- Julian S. Hodge [illegible]
- Industrial Bank of Scot. [illegible]
- Keyser Ullmann [illegible]
- Knowsley & Co. Ltd. [illegible]
- Lloyds Bank [illegible]
- London & European [illegible]
- London Merc'tile Corpn. [illegible]
- Midland Bank [illegible]
- ■ Samuel Montagu [illegible]
- ■ Morgan Grenfell [illegible]
- National Westminster [illegible]
- Northern Comm. Trust [illegible]
- Norwich General Trust [illegible]
- Portman Guaranty [illegible]
- P. S. Refson & Co. [illegible]
- Rossminster Accept'cs. [illegible]
- Schlesinger Limited [illegible]
- E. S. Schwab [illegible]
- Security Trust Co. Ltd. [illegible]
- Shenley Trust [illegible]
- Standard Chartered [illegible]
- Thames Guaranty [illegible]
- Trade Development Bk. [illegible]
- Twentieth Century Bk. [illegible]
- United Bank of Kuwait [illegible]
- Whiteaway Laidlaw [illegible]
- Williams & Glyn's [illegible]
- Yorkshire Bank [illegible]

■ Members of the Accepting Houses Committee.
* 7-day deposits [illegible], 1-month [illegible].
† 7-day deposits on sums of £10,000 and under [illegible], up to £25,000 [illegible], over £25,000 [illegible].
‡ Demand deposits [illegible].
¶ Call deposits over £1,000 [illegible].

CORAL INDEX: Close 404-409

I.G. INDEX: GOLD [illegible]

INSURANCE BASE RATES

† Atlantic Assurance [illegible]
Cannon Assurance [illegible]
† Address shown under Insurance and Property Bond table.

GOLD MARKET

	Mar. 5 1976	Mar. 4
Gold Bullion (a fine ounce)		
Close	[illegible]	[illegible]
Opening	[illegible]	[illegible]
Morning fixing	[illegible]	[illegible]
Afternoon fixing	[illegible]	[illegible]
Gold Coins, domestically		
Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
Gold Coins, internationally		
Krugerrand	[illegible]	[illegible]
New Sovereigns	[illegible]	[illegible]
Old Sovereigns	[illegible]	[illegible]
$20 Eagles	[illegible]	[illegible]
$10 Eagles	[illegible]	[illegible]
$5 Eagles	[illegible]	[illegible]

SPECIAL DRAWING RIGHT RATES

One SDR is equal to	[illegible]	[illegible]
Sterling	[illegible]	[illegible]
U.S. dollar	[illegible]	[illegible]
Canadian dollar	[illegible]	[illegible]
Austrian schilling	[illegible]	[illegible]
Belgian franc	[illegible]	[illegible]
Danish kroner	[illegible]	[illegible]
Deutsche mark	[illegible]	[illegible]
French franc	[illegible]	[illegible]
Italian lira	[illegible]	[illegible]
Japanese yen	[illegible]	[illegible]
Dutch guilder	[illegible]	[illegible]
Swedish krona	[illegible]	[illegible]
Swiss franc	[illegible]	[illegible]

Values are for currencies and SDR as calculated by the International Monetary Fund. [illegible]

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv. 20p	18	.....	Graig Ship. £1	355	.....	Shiloh Spinn	27	
Ash Spinning	33	.....	Hallam Sleigh 10p	8	.....	Sindall (Wm.)	53	
Bertam	30	.....	Higsons Brew.	105	.....	**IRISH**		
Bdg'wtr. Est. 50p	150	−2	I.O.M. Stm. £1	145	+5	Alliance Gas £1	98	
Clover Croft	25	.....	Holt (Jos.) 25p	255	.....	Carroll (P.J.)	128	+3
Craig & Rose £1	327	.....	Kleen-e-Ze	38	.....	Clondalkin	52	.....
Dyson (R.A.)	20	.....	Lovell's Ship £1	80	.....	Concrete Prods.	92	.....
Ellis & McHdy.	68	.....	N'thn. Goldsmith	90	.....	Goodbody (£1)	34	.....
Evans Fr'k. 10p	25	.....	P.M.A.	58	.....	Heiton (Hldgs.)	30	.....
Evered	9	.....	Pearce (C. H.)	80	.....	Irish Distillers	60	.....
Fife Forge	60	.....	Peel Mills	12½	.....	Irish Wire	40	.....
Finlay Pkg. 5p	26½	+½	RobbCaledon5b.	46	.....	Jacob	67	.....
Frost & Reed 50p	155	+5	Sayers 12½p	17	.....	Sunbeam	15	+1
Gardner (L.)	75	.....	Sheffield Brick	82	+2	Unidare	70	.....
			Sheff. Refrshmt.	140	.....			

NOTES

Prices do not include $ premium where applicable, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. k Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by ♦. ¶ Guernsey yield. # Suspended. ◊ Single premium insurance bonds.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1975/6 High	Low	Stock	£	+ or –	Yield Int.	Red.
99	92¼	Treasury 6½pc 1976‡‡	99	+½	6.57	8.80
99	97	Victory 4pc 1976‡‡	98⅝		4.04	—
[illegible]						

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

**INTERNATIONAL BANK

[illegible]

**CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 47% (based on $1.9710 per £)

Conversion factor 0.6666 (0.6664)

CANADIANS

1975/6 High	Low	Stock	£	+ or –	Div. Gross	Cvr	Y'ld Gr's
13¼	870p	Bk. Montreal $2	11⅝	+⅛	96c	—	4.0
36⅛	24¼	Bk. Nova Scot. $2	29⅛	+⅛	$1.50	—	2.5
37⅝	29½	Bell Canada 25c	33½	+¼	$3.44	—	4.9
15⅛	700p	Bow Valley‖	12½	+⅛	10c	—	0.4
10⅛	720p	Brascan‖	910p	+10	s$1.00	—	5.3
22¼	15⅛	Can. Imp. Bk. $2	19⅝	+⅛	$1.28	—	3.1
13⅝	945p	Can. Pacific $5	12	.....	84½c	—	3.3
29¼	22½	Do. 4pc Deb. £100	28¼	...	4%	—	13.9
24⅞	17⅛	Gulf Oil Can.‖	23xd	–⅛	$1.00	—	2.1
670p	230p	Hawker Sid. Can.‖	560p	...	36c	—	3.1
28	26⅛	Hollinger $5	24⅛	+½	$1.80	—	3.6
14¾	825p	Hudson's Bay‖	13½	+⅛	60c	—	2.1
32¼	12¾	Hud. B. Oil G. $2½	27⅞	–½	$1.40	—	2.4
22¼	16	Imperial Oil‖	16⅞xd	....	80c	—	2.2
770p	464p	Inl. Nat. Gas $1	680pxd	+10	80c	—	5.6
25¾	14½	Int. Nickel‖	22¼xd	+⅛	$1.40	—	3.0
23¼	970p	Massey Ferg.‖	22½	+1	$1.00	—	2.1
25½	980p	Pacific Pet. $1	21¼	+⅛	80c	—	1.8
32p	11½p	Place Gas $1	24p	–½	—	—	—
28½	13¼	Rio Algom	24⅝xd	+¼	$1.00	—	1.9
24¾	18	Royal Bk. Can. $2	20⅞	+⅛	$1.28	—	2.9
26⅞	19	Seagram Co. C$1	21⅛xd	.....	80c	—	1.8
17⅛	11¼	Tor. Dom. Bk. $1	13⅞	+⅛	70c	—	2.5
10½	600p	Trans. Can. Pipe 39½c	845p	–25	72c	—	4.1
790p	515p	White Pass	700pxd	+5	♦35c	—	2.4

S.E. List Premium 47% (based on $1.9710 per £)

††BANKS AND HIRE PURCHASE

1975/6 High	Low	Stock	Price	+ or –	Div Net	Cvr	Y'ld Gr's	P/E
250	135	Alexanders D. £1	233	.....	11.67	—	7.7	—
£114	£67	Algemene Fl.100	£95½	.....	♦Q21%	1.8	4.0	14.8
490	190	Allen Harvey £1	460	–5	25.0	—	8.7	—
142	45	Allied Irish	114	.....	Q25%	—	5.5	—
77	14	Anglo Contnl	55	.....	—	—	—	22.1
195	95	Arbuthnot L. £1	185	.....	†7.51	—	6.3	—
445	170	Aust. & N.Z. £1	387	+2	9.7	—	3.9	—
[illegible]								

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER & ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS—Continued

[illegible]

††INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

TRUSTS—Continued

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

OVERSEAS TRADERS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

MINES—Continued

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

FINANCE

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	3	Burma Mine 17½p	9	......	m0.5	—	1.5
65	17	Charterhall 5p	27½	−½	—	—	—
380	560	Cons. Murch 10c	620	+20	Q80c	ϕ	7.1
53½	29½	Lamasia	32	−1½	—	—	—
470	200	Northgate C$1	369	......	tQ25c	1.0	3.8
211	80	R.T.Z.	184	+5	g5.51	4.4	4.6
135	47½	Sabina Inds. C$1	87	−3	—	—	—
81	45	Stanford Mines$	45	......	—	—	—
£12⅞	874	Tara Expln. $1	£10⅛	+⅛	—	—	—
122	38	Yukon Cons. C$1	105	+5	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ● Figures or report awaited.
- †† Banks and Insurance: reserve allocations may preclude calculation of dividend cover.
- ¢ Price at time of suspension.
- § Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ϕ Merger bid or reorganisation in progress.
- ⁑ Not comparable.
- ϕ Same interim; reduced final and/or reduced earnings indicated.
- § Based on 1975 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ⁂ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♆ Excluding a final dividend declaration.
- ✢ Regional price.
- ǁ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: ✕d ex dividend; ✕c ex scrip issue; ✕r ex rights; ✕a ex all; ✕d ex capital distribution.

"Recent Issues" and "Rights" Page 15

FINANCIAL TIMES
Saturday March 6 1976

MAN OF THE WEEK

Choosing the moment

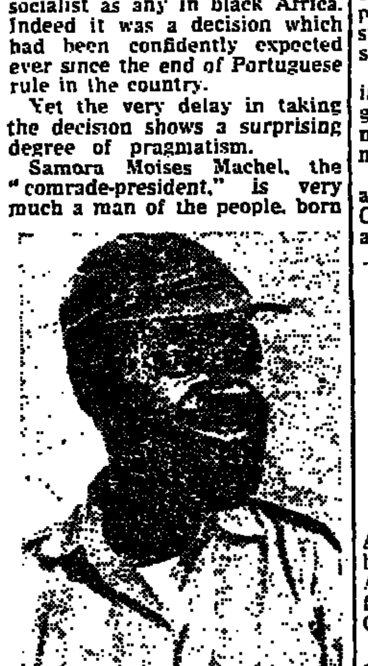
BY QUENTIN PEEL

WHEN President Samora Machel of Mozambique announced the imposition of full economic sanctions on Rhodesia this week he consciously put the economy of his largely impoverished and newly independent country in the front line of Africa's battle against the Smith regime.

It was a decision in keeping with the strict ideology of the Mozambique government, which has shown itself in the few months since independence last July to be as uncompromisingly socialist as any in black Africa. Indeed it was a decision which had been confidently expected ever since the end of Portuguese rule in the country.

Yet the very delay in taking the decision shows a surprising degree of pragmatism.

Samora Moises Machel, the "comrade-president," is very much a man of the people, born



42 years ago of a peasant farming family in the Limpopo valley of southern Mozambique. He had only six years of education in a Roman Catholic school, and was a medical assistant in Maputo (formerly Lourenco Marques) when he joined the Frelimo liberation movement in the early 1960s.

The driving force in the movement then was Dr. Eduardo Mondlane, but Machel rose via guerilla training in Algeria to be the Frelimo army commander. It was more than a year after Dr. Mondlane's assassination by letter-bomb in 1969 that he finally succeeded to the leadership of the movement.

For a man whose political education took place in guerilla camps, he has already shown considerable skill in leading his country. His new bride of last September was also clearly well chosen—she was his Minister of Education and Culture.

His pragmatism is shown in continuing good relations with South Africa, where 100,000 Mozambiquans work on agreed labour contracts, in spite of the fact that his elder brother died in a South African mine. Observers say President Machel appears warm and friendly for a soldier.

As for Rhodesia, a decision on sanctions has been hanging over the Frelimo Government ever since July. With some 80 per cent. of Rhodesia's sanctions-breaking traffic passing that way under the Portuguese, it was the biggest hole in the blockade, in spite of the Royal Navy's Beira patrol.

But when it came to his independence speech he put off any declaration of sanctions. He realised that his government was in no position either to enforce them or to weather the economic storm the move would cause.

Now, after close consultation with his fellow Presidents Nyerere, Kuanda and Khama at their mini-summit in Quelimane, President Machel has decided that the time is right for the move, although the economic cost is not likely to be less—put by some sources as high as £40m.

Although the Commonwealth governments have promised aid to cover that cost, the decision did not depend on such a move. Indeed it is by no means certain that President Machel will agree to being bailed out by countries like Britain and Canada.

In his broadcast from the presidential palace in Maputo he singled out "the continent of Africa" and "our other natural allies, the socialist countries, to be with us as they have always been." But the address was given in the presence of diplomats accredited to Mozambique, including Britain's ambassador, possibly as a timely reminder.

It remains to be seen whether Mozambique can survive the loss of its freight dues, jobs on the railways and in the ports, and an important source of food. There is still no clear indication of the effect of December's attempted coup against President Machel's government. Nor is it clear if he will turn increasingly to Angola's Soviet and Cuban allies for assistance, and away from his traditional Chinese support.

But if he does finally accept offers of aid from the Commonwealth and particularly Britain, he will surely be one of the more controversial beneficiaries of such generosity.

Ulster Convention is wound up

BY JOHN HUNT

THE LONG attempt to seek a settlement of the Ulster problem through the Northern Ireland Convention was finally abandoned by the Government when the reconvened Convention was wound up at midnight last night.

Mr. Merlyn Rees, Northern Ireland Secretary, made it plain in the Commons yesterday that direct rule from Westminster would continue for the forseeable future, and that there would be no major new initiative from the Government.

Scrapping of the Convention was reluctantly accepted by Mr. Liam Cosgrave, Prime Minister of the Irish Republic, in day-long talks with Mr. Wilson at 10, Downing Street.

An agreed statement afterwards said that pending development of some form of partnership between the two communities in the North a period of direct rule and constitutional stability was necessary.

The Government does not intend to strengthen local government or increase the number of Ulster seats at Westminster.

His statement had a remarkably quiet reception in the Commons from Ulster Unionists and Mr. Gerry Fitt, SDLP. The Conservatives were very worried at the political vacuum created in Northern Ireland, and it was evident Mr. Rees' latest move is placing a tremendous strain on the bipartisan policy between Government and Opposition.

Mr. Airey Neave, Tory Shadow Northern Ireland Secretary, said the vacuum might be filled by "violent and unscrupulous men," and urged that the Convention be replaced by some kind of advisory body.

The Secretary of State, rejected the proposal, and said progress was best achieved through existing local government and bodies such as the Economic Advisory Council, the Housing Executive and the trade union "forum."

The Tory concern was underlined by a statement by Mr. Neave last night. He said though direct rule might be the only option at present the Government took a risk in dissolving the Convention without replacing it by any public forum

There must be no more talks between the Government and representatives of paramilitary organisations, said Mr. Neave.

But it appeared an undertaking on this was given to Mr. Gosgrave at Downing Street. The communiqué said it was agreed a solution could be found only through elected representatives and political parties, and not through negotiations with paramilitary organisations.

Mr. Cosgrave placed great emphasis on this paragraph last night and said: "It means what it says." He interpreted it as an undertaking that the British would not negotiate with the Provisional Sinn Fein.

Our Belfast Correspondent writes: The Government's announcement of continued direct rule was greeted with predictable outbursts from Loyalists leaders in Northern Ireland, they have been unable to agree on a concerted campaign against the rejection of their demands for a return of majority rule.

Mr. Harry West, leader of the Unionist Coalition, blamed the political deadlock not on the ability of Ulster parties to come to terms, but on outside pressures, particularly the continuing contact between Government officials in Ulster and Provisional Sinn Fein.

Mr. Ernest Baird, deputy leader of the coalition who had talked during the winding-up of the Convention of a Loyalist uprisng against the Government, said Mr. Rees had now consigned Ulster politicians to the scrap heap, along with the ballot box.

Boeing denies paying bribes

BY JAY PALMER

NEW YORK, March 5.

BOEING, the world's largest commercial aircraft manufacturer and builder of the 747 Jumbo jet, said to-day that it had paid nearly $70m. in aircraft sales commissions to foreign representatives since 1970.

Mr. Thornton Wilson, the aerospace company's chairman, categorically denied that any of the payments were "bribes" or that they could in any way be compared to the covert payoffs that have embroiled more than 70 American companies in scandal.

Mr. Wilson said that the $70m. was paid to middlemen as independent contractors for helping to sell part of the $5.5bn.-worth of Boeing commercial aircraft bought by foreign carriers over the past five years.

Boeing had made some "foreign political contributions which we know are legal." The company had also paid some commissions on completed aircraft sales to employees of foreign Governments "in about four or five instances."

No 'policing'

None of these direct payments could be considered bribes because none of the recipients was in "direct chain of command to approve aircraft purchases."

Mr. Wilson refused to say whether Government employees taking Boeing funds were high-level, but admitted that the company had not tried to "police" what its middlemen agents had done with their payments.

Boeing refused to identify in any way either individuals or countries where payments had been made. Although the company refused to estimate how many foreign carriers had bought Boeings over the past six years, it said that about two-thirds of its production went overseas, and now accounted for up to 60 per cent. of non-Communist aircraft sales.

The company's disclosure comes less than a month after it issued a strongly-worded statement that it had never made illegal political contributions or paid off Government officials who were connected with buying Boeing products or services.

● General Emin Alpkaya, the commander-in-chief of the Turkish Air Force, was retired to-day after a commission discovered that he allegedly committed irregularities in the handling of $30,000 sent to him by Aeritalia, the Italian company which builds fighter planes under Lockheed licence. The money was for Turkish earthquake victims.

Peart threatens walk-out at EEC farm talks

BY ROBIN REEVES

BRUSSELS, March 5

A U.K. walk-out was threatened by Mr. Fred Peart, Minister of Agriculture, here to-day at the farm prices meeting of the Council of Ministers.

His threat came immediately after circulation of a compromise package tabled by Mr. Pierre Lardinois, Brussels Commissioner responsible for agriculture, aimed at bringing the negotiations, now in their fourth day, on higher EEC common farm prices for the coming season to a successful conclusion.

Mr. Peart's reaction in the Council on seeing the proposals was described as "very angry." As the meeting adjourned for lunch, he demanded a private meeting with Mr. Lardinois to explain that, as the compromise stood, it was politically unacceptable in the U.K. and he was strongly tempted to fly back to London.

Tonight, however, he and all other Ministers of the Nine were again locked in tough negotiations. As they continued, optimism rose that a settlement could be reached, although most other Ministers had also been distinctly unhappy with varying aspects of the Commission's plans.

Topping the list of Mr. Peart's objections was the Commission's sudden introduction into the package of a two per cent. devaluation of the green pound.

This has been sought vigorously by Mr. Mark Clinton, Irish Farm Minister.

Mr. Peart told Mr. Lardinois categorically that he had no mandate whatsoever to agree to such a move.

A green pound devaluation—there have been four in the past 18 months—would add to the increased price guarantees for U.K. farmers. But at the same time by cutting the EEC subsidies on many U.K. food imports, it would add more to the food price rises which will result anyway in Britain from these negotiations.

Ireland though, as an agricultural exporter, has much to gain from a green pound devaluation.

After his discussions with the Commissioner, Mr. Peart decided to stay on. This was presumably on indications that the green pound proposal would be dropped as far as the U.K. was concerned and that there was room for negotiation on two other major British complaints about the package.

One was a strict limit on the size of the variable premium which Mr. Peart would be authorised to pay beef producers, with the bulk of the cost being carried by the Treasury.

The other was a "stingy" EEC contribution, as one official put it, to consumer subsidies for cushioning the inevitable sharp rise in butter prices over the next year.

A rise of at least 8p a pound is on the cards stemming from a higher producer milk price and another transitional step to EEC price levels by 1978.

The compromise plan proposed a rise in the milk price of 4.5 per cent. now and another 3 per cent. in September, subject to a review.

Most other Ministers were also dissatisfied with various aspects of the package. But none was under the same pressure as M. Christian Bonnet, French Foreign Minister, who badly needs a satisfactory settlement on two commodities in particular —wine and milk.

News of riot police reinforcements moving into the Languedos region of southern France to quell the unrest among wine growers, underlined Paris fears of a political explosion both outside and inside the polling booths during the French local elections on the next two Sundays if M. Bonnet is unsuccessful in Brussels.

Scanlon backs attempts to boost manufacturing

BY CHRIS BAUR AND CHRISTIAN TYLER

THE Government's efforts to boost manufacturing industry at the expense of the public sector yesterday won an important ally in Mr. Hugh Scanlon, Left-wing President of the Amalgamated Union of Engineering Workers.

Mr. Scanlon said in Glasgow that, although he was opposed to some of the public expenditure cuts proposed by the Government, "we support the Government completely and absolutely in its general strategy.

"We are not against the cuts in principle, but against the cuts in certain directions—for example, in education and some of the social services."

Mr. Jack Jones, general secretary of the Transport and General Workers' Union, hinted yesterday that he would like to see the earnings ceiling on the highest-paid continued into the next round of pay policy.

He said at Telford, Shropshire, that he rejected the argument that salary limits were hindering recruitment of talent into top jobs in industry.

Mr. Scanlon's endorsement of the TUC's quiescent line on the Government's expenditure policy contrasts with his union's record in the last two years as a leading campaigner against wage restraint and critic of the Government—TUC social contract.

Public sector unions, although highly critical of the Government's expenditure policy, have been anxious not to break ranks with the big industrial unions, whose thinking on expenditure has now been spelt out clearly for the first time by Mr. Scanlon.

Mr. Scanlon was careful to link his support to the need for a reflationary Budget. "Controlled reflation is necessary. We are not talking of any consumer-led rapid reflation of the economy, but something has to be done to replenish demand."

There could be no doubt that the Government's strategy of recognising that Britain's economic ills could only be overcome by having a vital and expanding manufacturing industry meant that there would have to be a reduction in some of the service and supply industries.

"Obviously, representatives of workers in those industries who will be affected have the duty of trying to protect their members. That is their job."

It was too early to assess his union's position on future pay policy. Since the TUC had accepted the £6 pay limit, the unions had honoured the letter and the spirit of the social contract.

The Government had responded by delivering most of its promised legislation, notably by abolishing the Industrial Relations Act and passing the Employment Protection and Equal Pay Acts.

Mr. Jack Jones, said the argument that top industrialists had to be paid more to raise industry's efficiency was "a long way from the truth.

"There are many members of middle management ready and willing to take the top jobs—and they would do well. We simply need to forget the idea that all the brains and abilities are to be found in and around the City of London."

He was referring to the debate about the future shape of pay policy and, in particular, to the £8,500 a year salary cut-off point beyond which no earnings increases are allowed.

Continued from Page 1

Sterling below $2

been reflected in the decision by a number of U.S. banks operating in London to under-cut the U.K. banks on sterling lending by up to ½ per cent.

However, the banks are worried about the competition for deposits they are now suffering from the building societies and other savings outlets, with Mr. Deryk Weyer, senior general manager of Barclays Bank, reporting this week that the bank had been losing £5m. a week in deposits. The banks are waiting to see how the situation develops.

Meanwhile, the building societies are sticking to their position that no changes in their rates will be considered until after the Budget.

Mr. Norman Griggs, secretary general of the Building Societies' Association, said yesterday that no decision on the rate would be taken until after the next BSA meeting on April 9, following the Budget on April 6. Provided there are no major changes in their tax position in the Budget, however, a cut in mortgage and deposit rates is now likely.

The weakness of sterling brought no strong reactions from foreign centres, where it was regarded as a natural development in the light of the level of inflation in the U.K. and the absence of support for sterling. It was, however, reflected in the prices of base metals on the London market. These had already been moving higher reflecting the Southern African situation, and further speculative buying developed yesterday.

Arthur Sandles writes: Sterling's difficulties come just as the tourist industry is gathering itself for the spring rush. The impact is twofold, with the direct costs of currency and the indirect charges which result from British operators having to pay more for aircraft and other services.

Spain is the main U.K. travel destination but the recent gains caused by the devaluation of the peseta are being eroded rapidly. Summer 1976 tour programmes were based on exchange rates applicable in mid-summer 1975.

Rhodesia to build up forces

By Tony Hawkins

SALISBURY, March 5.

THE strength of the Rhodesian security forces is to be increased following estimates that about 1,000 African nationalist guerillas are operating inside the borders, Mr. Pieter van der Byl, Defence Minister, announced yesterday.

But he told a news conference that the security forces were "more than coping" with this situation and that the guerillas had not penetrated far.

There were an estimated 4,000 to 5,000 guerillas in Mozambique and Tanzania, he said. Claims that there were up to 12,000 in Mozambique alone were exaggerated. There was no evidence of a "significant" Soviet or Cuban presence in Mozambique.

Mr. van der Byl said he was wuilding up Rhodesia's regular army and there was a "tremendous" reservoir of black manpower that he could draw on. The Rhodesian army was planning to commission its first black officers.

At a separate news conference Mr. Roger Hawkins, the Rhodesian Transport Minister, said South Africa could handle all Rhodesia's rail traffic, but there might be problems in respect of transit traffic from neighbouring states.

More serious

Malcolm Rutherford writes: Mr. van der Byl's estimate of about 1,000 guerillas operating inside Rhodesia is considerably higher than that of most diplomatic observers. If it is right, the security situation is more serious than was generally thought.

The organisation of African Unity (OAU) has appealed to all member states to give "every assistance" to Mozambique following President Machel's decision to close the country's border with Rhodesia, our Addis correspondent writes.

THE LEX COLUMN

The Bank's change of tactics

A gentle decline in sterling may well have been the intention of the authorities following a period of relative stability, but things do not always work out smoothly in the foreign exchange market. Sterling was actually devalued by 1.7 per cent. in a day, a rate of depreciation which could conceivably set off a chain reaction. There was a flurry of speculative activity in the commodities markets—the Reuters Index hit a 16-month peak. But the securities markets reacted calmly. Equities were picking up towards the close, and are virtually unchanged on the week. Moreover the movements in gilts were nothing out of the ordinary by current day standards.

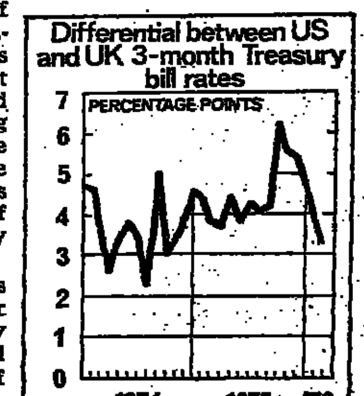
Yesterday's developments have important implications for interest rates. Until very recently the Bank of England has been following a policy of high U.K. interest rates in order to protect sterling: this was dramatically demonstrated when it suddenly raised MLR last July. The fact that it actually allowed MLR to drop when sterling was already sliding sharply yesterday showed just how the priorities have changed. Early this week it looked as though the upward pressure on U.S. interest rates would have to be reflected in London. But as long as the sterling exchange rate does not get out of hand the Bank may now be prepared to follow an independent policy on money rates. Although the differential between U.S. and U.K. short term rates is now narrower than at any time last year, it is still more than three percentage points.

It certainly looks as though American rates are heading upwards. The Federal Reserve has evidently increased its target rate for federal funds from 4¾ to 5 per cent., and although the latest money supply figures show a fall, the likelihood is that this was an aberration caused by a large sale of Treasury notes, and the buoyant trend will soon be resumed. The rise in U.S. rates may be fairly gentle, however, extending to, say, 1½-2 points over the rest of the year, and that could be absorbed within the existing U.K. rate differential, if exchange rates have become a secondary consideration.

But the steepening yield curve in the U.K. shows that the gilt market has little faith in the idea of cheap money.

Index fell 2.9 to 404.7

Since the end of January MLR has fallen a full point whereas the yield on the FT-Actuaries 20-year gilt index has moved nearly a point in the opposite direction (the index is 6½ per



cent. off its peak). And this has taken place in the absence of any official sales of the long tap.

Yesterday's goings on are not likely to encourage investors to take a positive stance in the gilt market in the month leading up to the Budget. The same may apply to equities, where the current stagnation may be interpreted in terms of a two-way pull between interest rate uncertainties on the one hand and growing optimism about company profits on the other. The FT 30-Share Index has now spent the best part of nine weeks wobbling around the 400 level.

Flows of funds

The latest Consolidated Fund figures for February show a sharp deceleration in spending compared with the very buoyant December and January outturns, and there is no longer any danger that the public sector borrowing requirement for 1975-76 will spiral out of the range of expectations—which vary between £10.5bn. and £11.5bn. But looking ahead, there is increasing concern about the Government's financing needs next year, with analysts finding it difficult to keep their 1976-77 estimates below £12bn.

Against this background the
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analysis tends to pro
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Felixstowe Dock

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Weather

U.K. TO-DAY

DRY with a good deal of sunshine, and fog patches at first. Night frost.

S.E. and E. England, E. Anglia
Dry with sunny periods and night frost. Max. 8C (46F).

London, S. and N.W. England, the Midlands, Wales, Lakes
Fog patches and frost at first, then dry with sunny periods. Max. 8C (46F).

Channel Isles, S.W. England
Fog then sunny periods. Max. 9C (48F).

Isle of Man, Borders, Edinburgh, Scotland
Dry with sunny intervals. Max. 8C (46F).

N. Ireland, Orkney, Shetland
Rain at first but mainly dry with bright intervals later. Max. 7C (45F).

Outlook: Mostly dry and sunny with night frost.

Lighting-up: London 18.19, Manchester 18.26, Glasgow 18.31, Belfast 18.39.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Alexandria	C	18	64	Madrid	S	13	55
Amstrdm.	S	3	37	Manchestr.	S	11	52
Athens	F	10	50	Melbourne	C	22	72
Bahrain	R	19	66	Mexico C.	S	20	68
Barcelona	S	15	59	Milan	R	3	37
Beirut	F	16	61	Montreal	C	1	34
Belfast	F	10	50	Moscow	Sn.	−3	27
Belgrade	S	−2	28	Munich	S	0	32
Berlin	C	−2	28	Newcastle	S	6	43
Birmghm.	S	8	46	New York	S	19	66
Bristol	S	9	48	Oslo	C	0	32
Brussels	S	5	41	Paris	S	6	43
Budapest	F	−2	28	Perth	S	24	75
B. Aires	C	29	84	Prague	C	−3	27
Cairo	S	19	66	Reykjavik	C	2	36
Cardiff	S	8	46	Rio de J'o	S	35	95
Cologne	S	2	36	Rome	F	13	55
Copnhgn.	Sn.	−1	30	Singapore	S	31	88
Dublin	S	10	50	Stockholm	S	0	32
Edinburgh	C	12	54	Strasbourg	S	4	39
Frankfurt	F	3	37	Sydney	S	21	70
Geneva	S	4	39	Tehran	S	11	52
Glasgow	F	11	52	Tel Aviv	S	16	61
Helsinki	S	−4	25	Tokyo	C	11	52
H. Kong	C	18	64	Toronto	C	9	48
Jo'burg	C	22	72	Vienna	Sn.	−3	27
Lisbon	S	16	61	Warsaw	C	−2	28
London	S	9	48	Zurich	S	2	36
Luxemb'g	S	2	36				

HOLIDAY RESORTS

Ajaccio	S	14	57	Ls. Palms.	F	20	68
Algiers	C	15	59	Locarno	C	6	43
Biarritz	C	12	54	Luxor	S	24	75
Blackpool	S	9	48	Majorca	S	14	57
Bordeaux	S	14	57	Malaga	S	16	61
Boulogne	S	6	43	Malta	S	16	61
Casablnca.	C	15	59	Nairobi	S	24	75
Cape Tn.	S	26	79	Naples	F	11	52
Corfu	S	12	54	Nassau	S	26	79
Dubrovnik	F	4	39	Nice	C	12	54
Faro	S	17	63	Nicosia	S	17	63
Funchal	S	18	64	Oporto	S	17	63
Gibraltar	S	16	61	Rhodes	S	13	55
Guernsey	S	11	52	Salzburg	S	2	36
Innsbruck	S	3	37	Tangier	S	18	64
Inverness	F	11	52	Tenerife	C	12	54
Isle of M.	S	8	46	Tunis	F	15	59
Istanbul	C	3	37	Valencia	S	15	59
Jersey	S	10	50	Venice	S	6	43

S—Sunny. F—Fair. C—Cloudy. R—Rain. Sn.—Snow.

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